

AGREEMENT

Between



**E. & J. Gallo Winery Modesto,
Livingston, and Fresno
and
United Food and Commercial Workers
International Union, CLC
Locals 186D and 8 Golden State**



From July 1, 2021 to March 31, 2025

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PARTIES TO CONTRACT

This Agreement is entered into on this 1st day of July, 2021, by and between the United Food and Commercial Workers International Union, CLC (UFCW) on behalf of its Locals 8 Golden State and 186D hereinafter called the “Union” and E. & J. Gallo Winery hereinafter called the “Company.”

SECTION I UNION RECOGNITION

- 1.1 The Company recognizes the Union as the exclusive representative of employees as defined in Section 1.2 of this Agreement.
- 1.2 Whenever used in this Agreement, the term “employees” shall mean all production and maintenance employees, employed by the Company at its Modesto facilities, at 200 Yosemite Blvd., Modesto, CA 95354, and 600 Yosemite Blvd., Modesto, CA 95354, Warehouses 1, 2, 3, 4, 8, 9, 10, 11 and 17 at 720 S. Riverside Drive, Modesto, CA 95354 (known as “Modesto East”) its Livingston facility at 18000 W. River Road, Livingston, CA 95334, and its Fresno facility at 5610 E. Olive Ave., Fresno, CA 93727, but excluding exempt, salaried non-exempt, and members of other bona fide, recognized collective bargaining units as covered by collective bargaining agreements with the Company and individuals on the payroll(s) of companies other than E. & J. Gallo Winery.

- 1.3 Unless in case of bona fide emergencies, the training and instruction of bargaining unit employees, subcontracting in accordance with Section XV of this Agreement, or research or pilot plant operations, managers, team leaders, and persons excluded from the bargaining unit shall not be permitted to perform any work normally performed by bargaining unit employees, and which said employees now perform.

SECTION II

UNION SECURITY

- 2.1 An employee employed at the time this Agreement becomes effective, who is a member of the Union at such time, shall tender to the Union an amount of money equal to the monthly dues and assessments charged by the Union to all employees who are members of the Union.
- 2.2 An employee employed at the time this Agreement becomes effective, who is not a member of the Union at such time, shall not later than the completion of their probationary period or the effective date of this Agreement, whichever is later, tender to the Union an amount of money equal to the initiation or reinstatement fee, and assessments, if applicable and the monthly dues charged by the Union to all employees who are members of the Union.
- 2.3 An employee who is initially employed or re-employed after the time this Agreement becomes effective shall, not later than the completion of their probationary period tender to the Union an amount of money equal to the initiation or reinstatement fee, and assessments, if applicable and the monthly dues charged by the Union to all employees who are members of the Union.

- 2.4 During their probationary period, Seasonal Winery Workers shall tender to the Union a monthly representation fee as established by the Union.
- 2.5 The Union shall be the sole judge of the good standing of its members. Any employee who fails to become a member of the Union within the time limit set forth herein above or who fails to pay the required initiation fees, periodic dues, representation fees and regularly authorized assessments as prescribed by the Union, shall be immediately discharged upon written notice from the Union to the Employer.
- 2.6 Upon completion of the employee's probationary period, the Company agrees to provide the Union, in writing, on the monthly dues report, the employee's name, address, social security number, age, telephone number, and clock number. Quarterly, the Company also agrees to provide the Union a report of all current employees' names, phone numbers, addresses, and e-mail addresses based on Company records at the time the report is prepared.

SECTION III

CHECK-OFF

INITIATION FEES, DUES AND ASSESSMENTS

- 3.1 The Employer agrees to deduct from the payrolls all initiation fees, periodic dues, representation fees, reinstatement fees, and assessments as required by the Union upon representation of individual authorizations as required by law, signed by the employees directing the Employer to make such deductions. The Employer shall make such deductions from the employee's pay once each month and remit same to the Union not later than the 10th day of the following month.

- 3.2 The Union will furnish the forms to be used for the authorization. The Employer will furnish the Union with a duplicate copy of all signed authorizations.
- 3.3 The Union will hold the Employer free and harmless against any and all claims, damages, suits or other forms of liability whatsoever that shall arise out of or by reason of action taken or not taken by the Employer for the purpose of complying with any of the provisions of the initiation fees, reinstatement fees, regularly authorized assessments, representation fees and monthly dues check-off.
- 3.4 Sick leave payments will not be the subject of monthly dues or representation fee deduction. However, vacation pay is subject to a monthly dues deduction.
- 3.5 The Employer must indicate on the monthly dues report all layoffs, leaves of absence and terminations.

SECTION IV

NON-DISCRIMINATION

- 4.1 In the administration of this Agreement, neither the Company nor the Union shall discriminate against any employee because of that employee's race, religious creed, color, national origin, ancestry, age, marital status, military or veteran status, physical disability, mental disability, legally protected medical condition, sex, gender, gender identity, gender expression, genetic information or characteristic, sexual orientation, transgender status, sex stereotyping, union membership, or for any other basis protected by applicable law.

- 4.2 This section of the Agreement shall be interpreted in accordance with applicable federal and state law.
- 4.3 In the administration of this Agreement, the Company and the Union will provide reasonable accommodation to qualified employees with a disability and to employees based upon their religious tenets. The need for and the extent of such accommodations shall be determined by the Company in accordance with its interpretation of the requirements of the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, and the applicable portions of California's Fair Employment and Housing Act, even if such accommodations may be in conflict with a provision of this Agreement. However, any action taken by the Company will not violate seniority.
- 4.4 An arbitrator hearing a grievance that alleges a violation of this section is authorized to award only reinstatement, back pay and/or back benefits to a prevailing grievant and has no authority to award compensatory, punitive, or any other monetary damages not specifically mentioned above

SECTION V

MANAGEMENT RIGHTS

- 5.1 Except as expressly modified or restricted by a specific provision of this Agreement, all statutory and inherent managerial rights, prerogatives, and functions are retained and vested exclusively in the Company, including, but not limited to, the rights, in accordance with its judgment and discretion: to reprimand, suspend, discharge, or otherwise

discipline employees for just cause; to determine the number of employees to be employed; to hire employees, determine their qualifications and assign or direct their work; to promote, demote, transfer, lay off, and recall to work employees; to set the standards of productivity, the products to be produced, and/or the services to be rendered; to determine the amount and forms of compensation for employees; to maintain the efficiency of operations; to determine the personnel, methods, means, and facilities by which operations are conducted; to set the starting and quitting time and the number of hours and shifts to be worked; to use independent contractors to perform work or services; to subcontract, contract out, close down, or relocate the Company's operations or any part thereof; to expand, reduce, alter, combine, transfer, assign, or cease any job, department, operation, or service; to control and regulate the use of machinery, facilities, equipment, and other property of the Company; to introduce new or improved research, production, service, distribution, and maintenance methods, materials, machinery, and equipment; to determine the number, location and operation of departments, divisions, and all other units of the Company; to issue, amend and revise policies, rules, regulations, and practices; and to take whatever action is either necessary or advisable to determine, manage and fulfill the mission of the Company and to direct the Company's employees.

SECTION VI

PROBATIONARY PERIOD

- 6.1 An employee who has never accrued seniority under this Agreement or predecessor Agreements between the Company and the Union, or an employee rehired after termination of seniority shall be in "probationary" status until completion of

six hundred (600) hours.

- 6.2 Seasonal Winery Workers (SWWs) who have never accrued seniority under this Agreement or predecessor Agreements between the Company and the Union, or a Seasonal Winery Worker rehired after termination of seniority shall be in “probationary” status until completion of ninety (90) workdays.
- 6.3 Probationary employees may be dismissed by the Company at any time during such probationary period without the necessity of assigning any cause therefore.
- 6.4 Probationary employees will not be eligible for Company benefits, except as provided in Section XXXIII Sick Leave, until the expiration of their probationary period.
- 6.5 It is understood that the probationary period described in this section does not apply to any subcontracted employee performing work under Section XV of this Agreement. However, once a subcontracted employee reaches 720 hours of work, the Company must release such subcontracted employee or he will be considered for employment, provided he meets the Company’s required qualifications for employment.

SECTION VII

SENIORITY

7.1 Definitions

- a. Seniority shall mean an employee's length of continuous service with the Company, following completion of the probationary period, within the bargaining unit, measured in calendar days from the first day the employee actually worked for the Company on or after the employee's most recent date of hire. If application of the preceding sentence results in two (2) or more employees having the same seniority, the employee assigned the lower clock number shall be deemed more senior. Seniority shall not accrue to a probationary employee until completion of the probationary period set forth in Section VI of this Agreement, at which time the employee shall possess seniority as defined in this section. Seniority shall be applicable only as expressly provided in this Agreement.
- b. Department Pool
A group of employees composed of one or more pay classifications, organized by functional tasks and/or shift within a department.

7.2 Termination of Seniority

An employee's seniority shall be terminated and his rights under this Agreement forfeited for any one of the following reasons:

- a. Discharge, quit, retirement, or resignation.

- b. Failure to give notice of intent to return to work after recall within the time period specified in Section 8.4(b) of this Agreement, or failure to return to work on the date specified for recall, as set forth in the written notice of recall.
- c. Unless prohibited by law, time lapse of eighteen (18) months, or for a period equal to the employee's seniority (whichever is less), since the last day of actual work for the Company, regardless of reason, except layoff.
- d. Failure to return to work upon expiration of a leave of absence or its extension.
- e. Unless prohibited by law, layoff for a period of twelve (12) months or for a period equal to the employee's seniority, whichever is less.
- f. If the employee is absent for two (2) working days without properly notifying the Company, unless a reason satisfactory to the Company is provided.
- g. If the employee has failed to provide the Company with the employee's current telephone number and address, hindering the Company's ability to contact the employee.

7.3 Seniority List

The Company shall provide the Union with a current seniority list every February 15th and August 15th. In addition, on this same date, in each department, the Company will post a departmental roster of employees, in plant seniority order.

7.4 Employees Hired for Crush at Livingston or Fresno

Any Livingston or Fresno employee, hired for crush, who completed his probationary period but had less than twelve months of continuous service with the Company when laid off and his seniority was terminated pursuant to 7.2(c) or (e) above, if rehired within one year of the layoff, such an employee will have service time he obtained prior to the layoff credited to his continuous service.

7.5 Transfer Within Plant

It is understood that the transfer of an employee within the plant shall not affect such employee's basic seniority rights as an employee of the Company.

7.6 Departmental Seniority for Maintenance Departments

For the Maintenance Departments only, the date that a Maintenance employee entered the department shall be used for the purpose of vacation scheduling, overtime, and shift preference application.

SECTION VIII LAYOFF/REDUCTION IN FORCE

8.1 Determination of Layoffs

The Company will determine the timing of layoffs, the number of employees to be laid off, and in which department pool(s) layoffs will be effected.

8.2 Layoffs

In the event of a layoff in a department pool, where employees' skills and ability are equal, seniority will be the determining factor.

8.3 Bumping Only During Layoffs

An employee laid off pursuant to Section 8.2 of this Agreement may bump the employee with the least seniority in a department pool in the same level or in a lower paid level provided that: (1) the bumping employee has more seniority than the employee he will bump, (2) at some point in the past, he successfully completed the training period for the job classification in that department pool, and (3) he can perform the functions of an employee in such department pool with a brief refresher training period provided that, if the employee is eligible to bump into more than one (1) department pool, the Company shall determine the department pool into which the employee will be permitted to bump, so long as the straight-time rate of pay for such department pool is not less than the straight-time rate of pay for another department pool into which the employee is eligible to bump.

If the bumping employee cannot perform the function within a department pool at the standard described above, the employee will be eligible to bump into the next highest department pool for which the employee has the requisite skills and performance.

If the application of this section for a layoff, which is expected to be for a long period of time, results in an employee working a lower-paying position than the one he was laid off from,

such employee will receive the straight-time, classified hourly rate of the position he left for a period of four (4) calendar weeks.

8.31 Voluntary Layoffs

For layoffs expected to last thirty (30) days or more, more senior employees (non-seasonal) who would otherwise not be placed on layoff may request to be placed on layoff by submitting a “Notice of Request for Voluntary Layoff” form to Human Resources within seven days of the layoff being announced by the Company.

Such requests will be granted if the Company determines that the requesting employee’s position can be filled by a qualified, available replacement.

The Company is not required to recall an employee on layoff in order to permit another employee to go on layoff.

At any time, based on business need, the Company may recall any employee on layoff, if qualified and in the order of seniority.

Any layoffs taken pursuant to this provision are subject to paragraphs 7.2(b) and (e) of Section VII.

This provision will not apply at the Livingston and Fresno facilities until all seasonal employees have been laid off.

8.4 Recall

a. Order of Recall

If the Company determines to fill a vacancy in a department pool from which employees are laid off, such employees shall be recalled in the reverse order of layoff.

b. Notice of Recall

The Company will forward notice of recall by certified mail to the last known address of the employee reflected on Company records. The employee must, within two (2) calendar days from the date of delivery or the last attempted date of delivery of the notice, whichever is earlier, notify the Company of his intent to return to work on the date specified for recall and thereafter, return to work on such date.

SECTION IX JOB POSTING/BIDDING

9.1 Posting and Bidding

With the exception of seasonal jobs, temporary jobs, Level 1 jobs, and Level 5 and above jobs (all of which the Company may fill in accordance with its judgment), if the Company determines to fill a job vacancy within the bargaining unit, the Company will post a notice of the vacancy or job opening on employee bulletin boards for seven (7) calendar days. Such a notice of the vacancy will be posted plant wide. Subject to the provisions of Section 9.3, any qualified employee may submit a bid for the job, electronically, during the posting period. The Company shall not be required to post a notice

of vacancy or job opening for a particular job more than once every ninety (90) calendar days. Any bid submitted within a posting period shall remain valid for ninety (90) calendar days.

9.2 Selection

For the purpose of awarding posted jobs, where employees' skills and ability are equal, seniority will be the determining factor. As judged by the Company, if no employees qualified for the posted job submit bids for the job, the Company may fill the job from any source. It is understood that the determination of who is awarded Level 5, and above jobs is not subject to the grievance and arbitration procedure.

A union representative that has received Targeted Selection training will participate as one of the interviewers of job bid candidates for jobs at pay levels 2, 3, 4, and interest notice candidates for Level 5 jobs. The Company and the Union must mutually agree on the union representatives that will take part in the process for jobs at pay Levels 2, 3 and 4. For Level 5 jobs, the Union may select the union representative that will take part in the interview process, provided he/she is a non-seasonal Level 5 and has no active discipline above DEC. The Company will post an interest notice for all non-maintenance Level 5 vacancies. A candidate not selected for a non-maintenance Level 5 job, within seven (7) calendar days of being informed that he/she was not selected, may contest the decision by submitting his/her objections to his/her department director. A review will be conducted by the candidate's functional vice-president whose decision will be final.

9.3 **Restrictions on Bidding**

- a. If immediately prior to being awarded a posted job, the employee's designated job classification was in a lower paid Level than the posted job, the employee may not bid for another job for a period of twelve (12) months from his first day worked in the job. This twelve (12) month prohibition on bidding shall also apply to an employee who received a Pay Level promotion resulting from progression from one Pay Level to another where such promotions occur or will occur; and also to an employee who begins the training curriculum for a potential Pay Level increase (the 12 month prohibition on bidding is measured from the date the employee completes the training). If immediately prior to being awarded a posted job, the employee's designated job classification was in the same Level (i.e., a lateral bid) or a higher paid Level than the posted job (i.e., a downward bid), the employee may not bid for another job for a period of twelve (12) months from his first day worked in the job. Employees will be allowed to bid for a lateral or a downward position once, every two (2) years, during their employment with the Company.

9.31 After an employee has successfully completed the training period and qualified for a Level 2 bid, he may step-down a total of one (1) time from that position to a Level 1 position, contingent on the following conditions:

- a. There must be a Level 1 position available.
- b. The employee has been qualified in the position for a period of twelve (12) months.

- c. The Employee must remain in the position until his replacement has completed training and become qualified.
- d. The employee is not eligible to sign for any other bid for a period of no less than twelve (12) months.
- e. This will qualify as one of the employee's downward or lateral job bids.

This provision 9.31 is not applicable to employees in the Operations Apprenticeship Program.

9.4 Disqualification of Bidder

- a. An employee may not bid for a vacant position if the employee has received a written reprimand within six (6) months of the first date the bid is posted or if the employee received a disciplinary suspension within twelve (12) months of the first date the bid is posted.
- b. An employee who is unable to perform the job to which he bid within the training period shall be returned to the job classification that the employee held at the time of submitting the bid.
- c. If during the training period an employee steps down from a position awarded to the employee by bid or the Company disqualifies the employee, the employee may not bid again for this particular job for 12 months from the date of the step-down or disqualification.

- d. After an employee has stepped down a total of two (2) times, that employee will not be eligible to bid on any job for a period of three (3) years from the date of the last step-down.

The situations described above in provisions 9.4 b, c, and d are only applicable to employees hired before 4-1-17.

SECTION X

SHIFT PREFERENCE

- 10.1 Except for employees who hold Levels 8 and 9 at any facility, the Company agrees to give employees within a department pool their preference on shifts when vacancies on preferred shifts occur. Shift preference applications shall be filed in writing on forms provided by the Company. The shift preference application will remain active until changed by the employee. Qualified employees with active shift preference applications will be transferred in order of seniority to fill vacancies on shifts of their choice within their department pool subject to the following conditions:
 - a. The Company agrees that seniority shall prevail in the assignment of employees to shifts. However, it is recognized that it is impossible to properly operate with all of the senior employees on one shift. The parties agree, therefore, that seniority alone cannot be the sole determining factor in the assignment of employees to shifts. In such a case, the Company will determine whether to act upon the shift preference.
 - b. No employee may have a shift preference application

acted upon more than once each six (6) months unless the employee within that period is displaced from the employee's preferred shift through a layoff. In such an event, the six (6) month requirement shall be waived and the employee may submit a new shift preference application.

- c. On occasion it may be necessary for the Company to assign newly hired or transferred employees to preferred shifts for orientation and familiarization purposes when such requirements exist. In such instances, the Company retains the right to determine the time required (not to exceed 45 workdays unless extended by mutual agreement) to retain the employee. Permanent shift assignments may be made after the newly hired or transferred employee's probationary or training period is complete.
- d. After entering a department pool as a result of a job bid, an employee must wait for a period of twelve (12) months after date of qualifying in the new position to have a new shift preference acted upon.
- e. After being awarded a job bid within the same department pool, an employee must wait for a period of six (6) months after date of qualifying in the new position to have a new shift preference acted upon.
- f. Employees exercising shift preferences will not be permitted to change shifts during the workweek for the purpose of obtaining overtime.

SECTION XI

HOURS OF WORK

- 11.1 The regular work schedule shall consist of forty (40) hours of work within the workweek and shall consist of five (5) consecutive days beginning on Monday.
- 11.2 Except as already provided for in this section, no change in the regular work schedule shall take place without consultation with the Union. Consultation will include a discussion regarding how light workload (LWL) decisions are made. The Company shall have the right to determine work schedules and shifts to meet business requirements. All employees on a shift need not be assigned to the same work schedule. The Company will provide at least ninety (90) calendar days notice to affected employees prior to implementing a change in work schedule, except in the case of an emergency. In any event, such a change will comply with applicable California law.
- 11.21 Preference for assignment to the changed work schedule shall first be given to employees currently in the classification(s) which will be working such schedule, in accordance with the employees' plant seniority (departmental seniority in the case of Maintenance employees), provided they have the skills and ability to perform such work. If an insufficient number volunteer for such work schedule, the most junior employees possessing the skills and ability to perform the work will be assigned to the work schedule.
- 11.22 The work hours for a part-time employee will be, on average, less than thirty (30) hours per workweek.

- 11.3 For purposes of determining an employee's pay, the workweek shall consist of seven (7) days beginning at a certain time on the first day of the workweek, and ending 168 continuous hours after that start time. A workday is a consecutive twenty-four (24) hour period beginning at the same time each calendar day. A workday can begin at any time of the day.
- 11.4 Overtime is defined as any time worked in excess of forty (40) straight-time hours in any employee's workweek.
- 11.5 Nothing in this section shall be construed as a guarantee of hours of work per day or per week or for any other period of time.
- 11.6 Eight (8) hours shall constitute a regular work shift in any twenty-four (24) hour period, except for meal periods. Different groups of employees may have different schedules from the regular work schedule or regular work shift. Examples of other work schedules include, but are not limited to:
- Tuesday through Saturday, eight (8) hour shifts*
 - Monday through Thursday, ten (10) hour shifts
 - Tuesday through Friday, ten (10) hour shifts
 - Wednesday through Saturday, ten (10) hour shifts*
 - Monday, Tuesday, Wednesday, Sunday, ten (10) hour shifts*
 - Continuous Operations Schedule*

- 11.7 There shall be one thirty (30) minute unpaid meal period and two (2) fifteen (15) minute rest periods during the course of an 8 hour shift. After ten (10) hours of work in a workday the number of additional unpaid meal periods and rest periods will be in accordance with applicable law. Any such meal periods will be thirty (30) minutes unpaid; and the duration of any such rest periods will be fifteen (15) minutes.
- 11.71 United Food and Commercial Workers International Union, CLC, Local Unions 8 and 186D, on behalf of employees covered by this Agreement at the E. & J. Gallo Winery, Modesto, Modesto East, Livingston, and Fresno Facilities agrees to waive the second thirty minute unpaid lunch period for members who work more than ten (10) hours in a workday, but not more than 12 hours in a workday. If any member wishes to revoke this agreement and take their second lunch, they have the right to give notice of their desire to their Team Leader. The first thirty (30) minute unpaid lunch will begin before the end of the 5th hour of work and cannot be waived.
- 11.8 The parties agree that the “equivalent” rule set forth in California Labor Code sections 551-554 shall not apply to the Livingston and Fresno facilities referred to in Section I of this Agreement and employees who work at those sites may work more than seven (7) consecutive days without the necessity of accumulating days of rest to receive the equivalent of one (1) day of rest in seven (7) in each calendar month.
- 11.9 All work on the second shift (Swing) by an employee assigned to that shift shall be paid at the rate of forty cents (40¢) per hour above the rate of the job performed, and all work performed on the third shift (Graveyard) by an employee assigned to that shift, shall be paid for at the rate of fifty cents (50¢) per hour

above the rate of the job performed. The term second shift (Swing) shall mean any shift terminating between the hours of 6:01 p.m. and 3:01 a.m. The term third shift (Graveyard) shall mean any shift terminating between 3:01 a.m. and 12:01 p.m.

11.91 In addition to the above-described, shift differentials, work performed on a schedule in 11.6 above marked by an asterisk shall be at a rate of thirty-five cents (35¢) per hour above the rate of the job performed.

11.10 All provisions of the existing Collective Bargaining Agreement (“CBA”) will apply to continuous operations employees except for a few minor differences/clarifications as described below:

- a. For any vacation balance between 6 and 11.75 hours, one full day of vacation may be taken (compensated for in the amount of the vacation balance only), without incurring any incident of absenteeism. Any vacation balance less than 6 hours will be paid out to the employee without time off of work.
- b. For the purposes of jury duty, paragraph 19.21 shall be applied to both the “D” and “N” shifts and the first sentence of paragraph 19.4 will also apply to the “N” shifts.
- c. Although California school activities leave excuses a maximum of eight hours in any calendar month, the employee will not be required to work any balance of his/her shift on a day he/she uses such leave.

- d. For the purposes of light work load (LWL) decisions, the Bottling Warehouse pool and the Bottling Warehouse/ MSC 7/24 pool employees will be considered one group of employees, and any Cellar Department classification employee(s) on the continuous operations schedule and any 5-8, Cellar Department employees in that same classification will be considered one group of employees.

SECTION XII

MAINTENANCE AND OPERATIONS

APPRENTICESHIP PROGRAMS

- 12.1 It is agreed that a maintenance and/or operations apprenticeship program may be established at each plant with the understanding that as to those Employers that do not have either the need for such a program or qualified applicants, said Employer shall have the option of hiring skilled mechanics and skilled operators from outside sources.
- 12.2 The Union acknowledges that any employee who possesses seniority from a date after August 1, 2020 whose offer of employment was for a maintenance or operations apprenticeship program will be subject to the condition of employment that he must satisfactorily progress in the apprenticeship for which he was hired. In the event that he fails, there will be no effort to place the employee in a different job. He will be separated from the Company.

SECTION XIII

ATTENDANCE

- 13.1 Employees are expected to regularly report for work and report for work on time each scheduled workday. In situations where an employee is absent from work or late to work, the corrective steps in 13.3 below will be followed.
- 13.2 Section XIII Attendance as it appeared in the 2017-21 CBA will remain in effect through and including 12/31/21. Effective January 1, 2022 absenteeism will be measured using a point system. Types of absenteeism for which point(s) are charged include but are not limited to any non-protected absences. The table below provides descriptions of the types of absenteeism and the number of points associated with each type.

	Types of Absenteeism	Point(s) Assessed
a.	Employee on any work schedule: Absence of any scheduled shift that is not a regular shift contained in one's work schedule	1.0
b.	Employee on any work schedule: Non-reported absence – failing to report an absence without any notice, or reporting an absence or reporting to work 31 minutes or more after the start time.	1.5
c.	Mon. – Fri., 5x8 employee: Absence of work shift on Mon. or Fri.	1.5
d.	Tues. – Sat., 5x8 employee: Absence of work shift on Tues. or Sat.	1.5

	Types of Absenteeism	Point(s) Assessed
e.	4x10 employee: Absence of work shift on first or last shift of the 4x10 schedule.	1.0
f.	Continuous operations employee: Absence of a work shift on a Saturday or Sunday or working less than one-half of a scheduled work shift on a Saturday or Sunday.	1.5
g.	Mon. - Fri., 5x8: Declining an early-in or stay-late work period initially voluntarily accepted, or accepted as a result of being drafted, and then subsequently declining it less than 30 minutes before the start of the work period.	1.5
h.	Employee on any work schedule: Absence of a scheduled work shift or working less than one-half of a scheduled work shift (unless a., b., c., d., or f. applies)	1.0
i.	Employee on any work schedule: Tardy greater than or equal to 31 minutes.	1.0
j.	Mon. – Fri., 5x8 employee: On a Friday leaving after working more than or equal to one-half of a scheduled shift.	1.0
k.	Mon. – Fri., 5x8 employee: Declining an early-in or stay-late work period.	1.0
l.	Employee on any work schedule: Tardy less than or equal to 30 minutes.	0.5
m.	Employee on any work schedule: Any day leaving after working more than or equal to one-half of a scheduled shift (unless j. or n. applies).	0.5
n.	Continuous operations employee: On a Saturday or Sunday leaving after working more than or equal to one-half of the scheduled shift	1.0

In every instance of an employee's failure to work as scheduled, whether protected or not, he must provide a truthful reason for such failures.

An employee will be allowed the use of incremental sick pay (from two (2) hours to one-half of a scheduled shift) under paragraph 33.4A of the CBA on up to four (4) occasions and no absenteeism points will be accumulated for the shift that such use is associated with. After the use of four (4) incremental sick events, an employee will be subject to any absenteeism points that apply according to the table above.

13.3 Corrective Steps:

- Documented Employee Counseling– Issued to employee after accumulating six and one-half (6.5) or seven (7) or seven and one-half (7.5) absenteeism points, whichever comes first or the first non-reported absence.
- First Written Reprimand – Issued to employee after accumulating eight (8) or eight and one-half (8.5) absenteeism points, whichever comes first, or a non-reported absence within one year from the issuance of the Documented Employee Counseling.
- Second Written Reprimand – Issued to employee after accumulating nine (9) or nine and one-half (9.5) or ten (10) or ten and one-half (10.5) absenteeism points, whichever comes first, or a non-reported absence within one year from the issuance of the First Written Reprimand.

- Discharge – Occurs for the employee after accumulating eleven (11) absenteeism points or a non-reported absence within one year from the issuance of the Second Written Reprimand.
- The number of types of absenteeism, including tardies, for each level of discipline are not absolute. Consideration shall also be given to length of time between absences; absences that repeatedly occur the day prior to or following a weekend, or vacation, and the frequency of absences and/or tardies.
- A corrective step may be skipped if dictated by the accumulation of points.

13.4 January 1, 2022 and every January 1 thereafter, absenteeism points for missing up to three (3) shifts will not be accumulated by an employee provided 1) he requests and has a sufficient balance of hours in his/her sick bank for such shifts and 2) the reason for the missed shifts was one of the reasons set forth in paragraph 33.4A of this Agreement. It is understood that from January 1 forward of any year, each absence that occurs in chronological order for which conditions 1) and 2) above are met, points will not be accumulated.

13.41 Regarding the use of FMLA and the up to three (3) protected sick days under 13.4, it is understood and agreed that, after 1/1/22, 1/1/23, 1/1/24 and 1/1/25, an employee's failure to work as scheduled, in chronological order, which also qualify for FMLA protection and protection under 13.4 of the CBA, such hours shall be used concurrently. For example, (1) if on March 3, 2022, an 8 hour shift employee fails to work his entire shift for an FMLA condition that also qualifies for protected

sick under sections 13.4 and 33.4A, 8 hours will be deducted concurrently from both his protected sick and FMLA banks; (2) if on March 3, 2022, an 8 hour shift employee completes 6 hours of his shift and then asserts an FMLA condition that also qualifies for protected sick under section 13.4 and 33.4A, 2 hours will be deducted concurrently from both his protected sick and FMLA banks.

- 13.5 The one-year period specified in Corrective Steps in Paragraph 13.3 above shall be extended by the like number of days of medical leaves totaling more than thirty (30) calendar days, commencing from the date of the most recent corrective step.

SECTION XIV

REPORT-IN AND CALL-BACK PAY

- 14.1 An employee who reports for work at the time scheduled by the Company shall be entitled to a minimum of four (4) hours of work or equivalent pay unless the Company is unable to provide work for reasons beyond its control, such as operations not being able to commence due to threats to employees, or property, public utilities failure or some other act of God. If the Company has three or more hours notice of the event beyond the Company's control, the Company will use reasonable means to notify employees that work will not commence. If the Company has three or more hours notice of an event beyond its control and fails to try to provide reasonable notice to an employee, the report-in pay provision will apply. In the event the Company has less than three hours notice of the event beyond its control, an employee who reports to work will not receive report-in pay.

- 14.2 An employee who, while at a location other than the Company's premises or other work location designated by the Company, is notified by the Company to report for work at a time other than the employee's regularly scheduled starting time, shall be entitled to a minimum of one-half of the scheduled hours of work or equivalent pay and shall perform such duties as the Company may assign.
- 14.3 An employee who has previously completed that day's work and, after having left the premises, is called in for emergency work, shall be paid a minimum of one-half of the hours of his regular shift at the prevailing premium rate. An employee called in for such emergency work shall not be required to perform non-emergency work to fill out the one-half of the regular shift.

SECTION XV

SUBCONTRACTING

- 15.1 Any ordinary maintenance, production, and repair work which the employees in the bargaining unit normally perform shall not be contracted-out to be performed by outside contractors except upon prior consultation with the Union; provided that the Employer will not sub-contract normal maintenance, production and repair work when there are qualified personnel on layoff who have performed the work. It is understood and agreed that the Company has the right to purchase raw materials such as wine, high-proof, etc., to contract for the production of such items and to arrange for contract and franchise bottling.

SECTION XVI

JOB ABOLISHMENT/SEVERANCE PAY

- 16.1 In the event of the permanent termination of an employee due to job abolishment, department shutdown, installation of new machinery, etc., (events that are not work performance, conduct, or loss-of-seniority related) or in the event an employee is offered a position in accordance with Section VIII, Layoff, as a consequence of a situation described above and such employee does not accept the position, such employee may select severance in lieu of the offered position.

Severance pay shall be paid to each such permanently terminated employee in accordance with the following:

- a. Where an employee has completed three service years, a service year shall be a year in which an employee shall have worked 1,500 or more straight-time hours, the employee shall receive twenty-four (24) hours of pay, at his straight-time, classified hourly rate, on the date of termination.
- b. Where an employee has completed four service years, a service year shall be a year in which an employee shall have worked 1,500 or more straight-time hours, the employee shall receive forty-eight (48) hours of pay, at his straight-time, classified hourly rate, on the date of termination.
- c. For each additional service year as defined, the terminated employee shall receive an additional twenty-four (24) hours of pay, at his straight-time, classified hourly rate, on the date of termination to a maximum of four hundred

thirty-two (432) hours of pay, at his straight-time, classified hourly rate, for those being terminated with twenty (20) or more service years, as defined, to their credit.

- d. The receipt of severance by an employee under this section is conditioned upon: (1) no grievance being filed about the event giving rise to the option to offer severance, (2) no grievance being filed about the employee being terminated, and (3) the employee affected signing a general release.

SECTION XVII

HOLIDAYS

- 17.1 The following days shall be observed as holidays for calendar year 2021 and calendar years thereafter:

New Year's Day	Thanksgiving Day
President's Day	Friday after Thanksgiving
Good Friday	Christmas Eve Day
Memorial Day	Christmas Day
Independence Day	New Year's Eve Day
Labor Day	

- 17.11 Effective for calendar year 2022 and calendar years thereafter, only for employees assigned to the continuous operations work schedule, the following days will be observed as holidays:

New Year's Day	Thanksgiving Day
President's Day	Friday after Thanksgiving
Easter Day	Christmas Eve Day
Memorial Day	Christmas Day
Independence Day	New Year's Eve Day
Labor Day	

- 17.2 For an employee whose regular work schedule is Monday through Friday, Sunday holidays shall be observed on the Monday following and Saturday holidays shall be observed on the preceding Friday.
- 17.3 For an employee whose regular work schedule is 4-10's that includes Saturday or Sunday (e.g. Wed.–Sat., 4-10's, or Thurs.–Sun., 4-10's), any holiday that originally occurs on Saturday or Sunday will be observed on that Saturday or Sunday.
- 17.4 When any of the above holidays is observed on a workday that is included in the employee's regular schedule, the employee will be paid at the employee's straight-time, classified hourly rate for the regular, straight-time hours of his/her shift, plus shift differential, if any, (e.g. 8 hours, 10 hours, or 11.75 hours) provided he (a) works, (b) receives Company-paid leave or Union-paid hours, (c) appears in court (such appearance must be by a subpoena for a case in which the employee is not a party), or (d) receives voluntary or involuntary LWL for his full, regularly scheduled shifts, both preceding and following the holiday. Provided an employee works, but is tardy 30 minutes or less on his regularly scheduled shift(s) that precede or follow the holiday, holiday pay will still be paid.
- 17.5 For an employee whose regular work schedule is the continuous operations schedule or four, ten (10) hour shifts, such employee will receive eight (8) hours at their straight-time, classified hourly rate for any holiday observed on a workday that is not included in their regular work schedule.
- 17.6 For an employee on the continuous operations work schedule, all holidays will be observed on the day that they actually occur.

- 17.7 In case of a layoff of an employee with seniority, such an employee must have worked one (1) full, regularly scheduled shift within four (4) work days immediately before the holiday or must have worked one (1) full, regularly scheduled shift within the four (4) workdays immediately following the holiday.
- 17.8 For any work performed on the above holidays or a substituted day under paragraph 17.2, the employee shall be paid as set forth in paragraph 28.6a and, if applicable, 28.6c.

SECTION XVIII

VACATIONS

- 18.1 Vacations are to be taken during the calendar year immediately following the calendar year in which earned. To obtain vacation credit for a month's employment, an employee must have at least one hundred and twenty-five (125) hours worked within a calendar month. If an employee does not receive vacation credit for any particular month's employment, as long as the employee accumulates a total of 1500 or more hours worked (1000 or more hours worked for a part-time employee with one year of continuous service; 500 or more hours worked for a part-time employee with at least 6 months, but less than one year of continuous service) for the entire period between January 1 and December 31, in the year in which he is earning vacation, such employee will be entitled to the amount of vacation for his years of continuous service in accordance with paragraph 18.2 below. Hours worked for the purposes of calculating vacation credit are defined as regular hours worked (straight-time and overtime), jury duty, bereavement, vacation, holidays, approved time off

to conduct union business. For calendar year 2022 through March 31, 2025, light workload (LWL) and plant shutdown hours will also be included in the vacation credit calculation. Any time on layoff is not calculated toward vacation credit.

- 18.2 The amount of vacation to which an employee shall be entitled during any calendar year shall be determined by the number of years of continuous service completed by the employee as of January 1, in the year in which vacation is to be taken, in accordance with the following:

Years of Continuous Service	Hours of Vacation for a Full Time Employee	Hours of Vacation for a Part Time Employee
1 year	40 hours	24 hours
2-5 years	80 hours	32 hours
After completing 5 years	80 hours	40 hours
After completing 6 years	120 hours	40 hours
After completing 13 years	160 hours	40 hours
After completing 20 years	200 hours	40 hours
After completing 25 years	216 hours	40 hours

18.3 Vacation shall be earned as follows for a full-time employee:

Months of Employment Within Service Year	1st Year	2nd Year and Thereafter	After 6 Years	After 13 Years	After 20 Years	After 25 Years
	40 hours	80 hours	120 hours	160 hours	200 hours	216 hours
1 month	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
2 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
3 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
4 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
5 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
6 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
7 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
8 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
9 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
10 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
11 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours
12 months	3-1/3 hours	6-2/3 hours	10 hours	13-1/3 hours	16-2/3 hours	18 hours

- 18.4 Vacations are not cumulative from year-to-year. If due to unforeseen circumstances, as determined by the Company, there is an unused carryover balance of vacation, the employee will have until March 31 to take such vacation. If the employee does not schedule this vacation, the unused vacation carryover from the previous year will be paid out at the employee's current, straight-time, classified hourly rate.
- 18.5 The Company shall retain the final right to approve, deny, schedule and cancel all vacations. Vacations and their duration will be scheduled at the Company's preference and in accordance with plant seniority ratings. It is understood and agreed that the Company may, at its option, suspend operations entirely or partially in any location in lieu of assigning vacation periods to employees. Final decision shall rest with the Employer provided employees are given thirty (30) days advance notice of vacation commencement dates.

During the period December 1, through January 31, of each calendar year, an employee may submit to his Department Representative, following the process developed by the Company, the vacation dates the employee desires to schedule for that calendar year. The Department Representative will approve or deny such requests in writing no later than March 1, of that calendar year. If during the period December 1, through January 31, two (2) or more employees request the same vacation date(s) and the Company determines to approve some but not all such vacation requests for such dates, the request of the senior employee(s) shall be honored. Vacation scheduling requests received after January 31, shall be approved or denied in the order in which they are received by the Department Representative.

- 18.6 Employees shall be compensated for vacation at their straight-time, classified hourly rate at the time vacation is taken. Employees regularly scheduled for shift work will receive shift differential in calculating vacation pay. In the event employees are on vacation on the anniversary date of the Agreement and wage increases are obtained, these employees shall receive the increases for the period of their vacation on or after the effective date of the increases.
- 18.61 For employees on the continuous operations schedule, any vacation balance between 6 and 11.75 hours, one full day of vacation may be taken (compensated for the amount of vacation balance only), without incurring any absenteeism point(s). Any vacation balance less than 6 hours will be paid out to the employee without time off work.
- 18.7 When a paid holiday under the terms of this Agreement occurs during an employee's vacation, the employee shall receive an extra day of vacation or pay-in-lieu thereof, at the option of the Company.
- 18.8 All eligible employees may request days of split vacation in accordance with the table below:
- a. Approval must be obtained from the shift or area Team Leader, and may only be granted at the sole discretion of the Team Leader if production and/or maintenance requirements allow.
 - b. Payment will be included on the employee's next regular paycheck

The Number of Split Days that Can Be Requested

Employee's Work Schedule	Eligible for 40 Hours*	Eligible for 80 Hours*	Eligible for 120 Hours*	Eligible for 160 Hours*	Eligible for 200 Hours*	Eligible for 216 Hours*
5 X 8	5	10	15	20	25	27
4 X 10	4	8	12	16	20	21
> 10 hr. shifts	3	6	10	13	17	18

*In the year in which vacation is to be taken.

- 18.9 Employees who earn 80 or more hours of vacation per calendar year may elect pay-in-lieu of vacation for exact 40-hour increments per calendar year according to the chart below. This request must be made in writing by the employee and submitted to his department at least two weeks prior to payment. Employees shall be compensated for this vacation at their straight-time, classified hourly rate.

Vacation Hours Earned	40-hr. Increments Available for Pay-in-Lieu
80 – 159	2
160 – 216	3

- 18.10 Employees who are laid-off before qualifying for vacation pay, and who are re-employed within the current service year, shall retain their anniversary date, and receive credit for all time worked during such service year.

SECTION XIX JURY DUTY

- 19.1 An employee required to serve on a jury and who misses work

shall be paid the difference between the employee's straight-time, classified hourly earnings and the amount paid the employee for jury duty, provided:

- a. the employee gives the Employer five (5) working days notice that he must report for jury duty or such notice as the employee has if the court gives the employee shorter notice, and
- b. the employee furnishes proof of such jury duty, and
- c. the hours of jury duty occur during the employee's regularly scheduled shift or as otherwise provided herein.

19.2 *Applies to day (first) shift employees, except Special Services.*

If an employee is released by the court before the halfway point of his normal shift, or by 12:00 noon, whichever is earlier, the following applies:

- the employee shall be required to report for work within one (1) hour after his release from jury duty, unless the employee received prior approval from his Team Leader for a longer period of time in which to report.

If an employee is released by the court at 12:01 p.m., or more than four (4) hours after the starting time of his shift, the following applies:

- the employee shall not be required to work his scheduled shift that day.

19.21 *Applies to day (first) shift Special Services employees*

If an employee is released by the court at or before 10:30 a.m., the following applies:

- the employee shall be required to work within one (1) hour after his release from jury duty, unless the employee received prior approval from his Team Leader for a longer period of time in which to report.

If an employee is released by the court after 10:30 a.m., the following applies:

- the employee shall not be required to work his scheduled shift that day.

19.3 *Applies to swing (second) shift employees.*

If an employee is released by the court at or before 12:00 noon, the following applies:

- the employee shall be required to work his scheduled shift.
- the employee must as soon as possible notify the Employer by telephone that he has been released and will be reporting for work that day.

If an employee is released by the court at 12:01 p.m. or later, the following applies:

- the employee shall not be required to work the employee's scheduled shift for that day.

19.4 *Applies to graveyard (third) shift employees.*

An employee shall not be required to work his scheduled graveyard shift on the day of the first morning of jury duty.

If an employee is released by the court seven (7) hours or more prior to the start of his scheduled shift, the following applies:

- the employee shall be required to work his scheduled shift that night.

If an employee is released by the court less than seven (7) hours prior to the start of his scheduled shift, the following applies:

- the employee shall not be required to work his scheduled shift that night.

If an employee works his full shift and on the same day is required to serve on jury duty for four (4) hours or more, the employee, if scheduled, shall be excused from work and paid his straight-time, classified hourly rate of pay for the graveyard shift of the following day.

SECTION XX

BEREAVEMENT LEAVE

- 20.1 An employee who has completed his probationary period is eligible for paid bereavement leave as follows:

Full Time Employee

Employee's Regular Shift Within a Work Schedule	Relative Listed in a.	Relative Listed in b.	Relative Listed in c.
8-hours	40 hours	24 hours	8 hours
10-hours	40 hours	30 hours	10 hours
Continuous Operations, 11.75-hours	40 hours*	35.25 hours*	11.75 hours*

Part Time Employee

Employee's Regular Shift Within a Work Schedule	Relative Listed in a.	Relative Listed in b.	Relative Listed in c.
8-hours	24 hours	24 hours	8 hours
10-hours	30 hours	30 hours	10 hours
Continuous Operations, 11.75-hours	35.25 hours*	35.25 hours*	11.75 hours*

- a. Spouse, son, daughter, stepchild, legally adopted child, or primary biological, adoptive or stepparent. For an employee's entire employment period, two (2), five-day bereavement leaves are allowed for two different biological, adoptive or stepparents. The employee may elect when to use the two (2), five day bereavement leaves for two parents. After the employee's election of two (2), five day bereavement leaves for parents, any bereavement leave for remaining biological, adoptive or stepparents is covered by 20.1c.

*For a relative listed in 20.1a., when an employee whose regular schedule is Continuous Operations (11.75 hours) and he only has a balance of 4.75 hours of bereavement pay remaining, he is not required to report to work on the day of his fourth shift.

- b. Mother-in-law, father-in-law, brother, sister, half-brother, half-sister, legal guardian, grandchild, grandparent or great grandparent of the employee.
- c. Son-in-law, daughter-in-law, brother-in-law, sister-in-law, or secondary biological, adoptive or stepparent of the same gender.

20.2 The following conditions apply:

- a. The employee would have been scheduled to work during the period of bereavement leave.
- b. Bereavement leave pay will be at the employee's straight-time, classified hourly rate.
- c. Days off should be consecutive unless one day is saved, to be compensated as bereavement pay, provided that one day is taken within one year from the date of death.
- d. Saturdays and Sundays and holidays are not counted as days off, unless the employee was scheduled to work and took the time off as bereavement leave.
- e. Bereavement leave taken on Saturdays, Sundays or holidays will be paid at straight-time.
- f. Bereavement leave will not be counted against vacation entitlement.
- g. An employee who is on an approved leave of absence for care of a member of his family shall receive bereavement leave pay if that family member dies, provided the employee returns to work and would have been scheduled for work during the bereavement leave.

- h. Proof of death and relationship is required.
 - i. If an employee's paid vacation is interrupted by a death covered by 20.1a., 20.1b., or 20.1c. above, and the Employer is notified promptly, the employee can choose how to categorize his days off--as vacation or bereavement leave.
- 20.3 If bereavement leave is obtained by misrepresentation, the employee shall be subject to discharge.
- 20.4 An employee who exhausts his applicable bereavement leave for a particular relative may utilize Section XXI of this Agreement to request additional, unpaid time off.

SECTION XXI

LEAVES OF ABSENCE

- 21.1 At its discretion, the Company may grant a personal leave of absence to an employee for a period of up to thirty (30) calendar days.
- 21.2 An employee may request an extension to his approved leave, provided that such request is made at least five (5) working days in advance of the ending date of the initial leave. The Company, at its discretion, may grant an extension and such extension shall not exceed thirty (30) calendar days.
- 21.3 Upon return from any personal leave of absence, the employee may be assigned to the position that he should have, according to his seniority, if such position is available.
- 21.4 If any leave or leave extension is found to have been obtained by misrepresentation, the employee shall be subject to discharge. The acceptance of other employment during any leave or extension is also grounds for discharge.

- 21.5 After absence from work, for any reason, for sixty (60) or more calendar days, the Company will require the returning employee to submit to a physical examination and/or a drug/alcohol test.
- 21.6 The Company will continue medical and dental coverage for an employee who is on an approved personal leave or extension, provided that the employee submits his monthly premium payment for such benefits to the Company.
- 21.7 For all protected leaves, the Company will continue medical and dental coverage for a total of up to six (6) months in a rolling one year period commencing from the first month of the leave, provided that (1) the employee has been employed for at least one year and (2) he submits his share of the monthly premium payment for such benefits to the Company. A month will be counted toward the 6 month period whenever an employee's protected leave occurs in any month in which the employee does not work 40 or more hours. An employee's benefits will be reinstated on the 1st of the month following the employee's return to work.

SECTION XXII

UNION SHOP STEWARDS

- 22.1 The Employer agrees to allow one (1) hour per week with pay to authorized shop stewards to conduct Union business. The parties understand and agree that in order for shop stewards to conduct Union business on work time, the steward shall first obtain permission from a Team Leader, as shall each employee involved.

- 22.2 The union steward will be responsible for the accounting and/or tracking of the allotted one hour per week.

SECTION XXIII

UNION BULLETIN BOARDS

- 23.1 The Company shall provide an enclosed, locked bulletin board located next to the time clocks and/or break areas upon which notices concerning official Union business may be posted.

SECTION XXIV

UNION ACCESS

- 24.1 Duly authorized representatives of the Union shall have access to the Company's premises for the purpose of attending meetings with Company representatives that have been arranged by the Company and the Union and for ascertaining whether or not the collective bargaining agreement is being adhered to or to assist in the administration of grievances or employee work related concerns. In circumstances in which duly authorized representatives of the Union wish to enter upon the Company property for purposes other than attending scheduled meetings between the Company and the Union, the Union, prior to such entry, shall inform a specified representative of the Human Resources Department or that person's designee of the desired time, place and/or person(s) to be visited.

When agreement is made on the time of the duly authorized representative's visit, the following conditions will also apply:

- a. The Union representative, in no event, will interfere with the operation of the Plant or enter areas without prior notification.
- b. The Union representative shall comply with all safety and GMP requirements of the area(s) that he/she travels through or visits.
- c. When the Union representative requests a private setting for a visit between the Union representative and an employee, the Company will do its best to provide it.

SECTION XXV

GRIEVANCE PROCEDURE

25.1 A grievance is a dispute about the interpretation or application of this Agreement or an alleged violation of a provision of this Agreement.

25.2 Procedural Steps.

- a. **Step 1:** An employee or the Union, no later than five (5) workdays from the date of an event giving rise to the grievance or five (5) workdays from the date the grievant should have reasonably learned of the event giving rise to the grievance, whichever is later, must discuss the grievance with the immediate Team Leader. The immediate Team Leader shall orally respond to the employee no later than two (2) workdays thereafter.

At the request of the employee, a Union Steward may be present during the Step 1 discussion.

Grievances settled at Step 1 shall not establish precedent.

- b. **Step 2:** If the grievance is not settled at Step 1, the Steward or Business Representative, no later than five (5) workdays after completion of Step 1, or no later than seven (7) workdays after the grievant should reasonably have learned of the event giving rise to the grievance, whichever is later, must submit a written grievance to the immediate Team Leader or Human Resources Representative on a grievance form. This form may be submitted electronically. All grievances presented at Step 2 of the procedure shall set forth the facts giving rise to the grievance, the specific provision(s) of the Agreement, if any, alleged to have been violated, the names of the aggrieved employee(s), or class of employees and the remedy sought. The immediate Team Leader or Human Resources Representative shall give his written answer to the grievance within five (5) workdays after receipt of the grievance.

A Union Steward and/or Business Representative will be present during a Step 2 discussion, if such a meeting is held.

- c. **Step 3:** If the grievance is not settled at Step 2, the Union Steward and/or Business Representative, no later than five (5) workdays after receipt of the Team Leader's written answer at Step 2, may file a written response to that answer to the Department/Plant manager. All responses at Step 3 of the procedure must be signed by the Union Steward and/or the Business Representative.

Not later than five (5) workdays after receipt of the written response, the Department/Plant manager, or his designee, shall meet with the employee and the Steward and/or Business representative. The Department/Plant

manager, or his designee, shall give his written answer to the grievance within five (5) workdays after such meeting. A written answer submitted by the Company shall be signed and dated by the Department/Plant manager or his designee, and such answer shall be final and binding on the employee, Union and the Company, unless it is timely appealed to arbitration by the Union in accordance with the procedures set forth in Section XXVI of this Agreement.

- d. For grievances alleging that a discharge occurred in violation of this Agreement, the parties agree that such a grievance shall be submitted directly at Step 3 of the procedure. Such a grievance must be presented on the grievance form and shall set forth the specific provision(s) of the Agreement, if any, alleged to have been violated, the name of the aggrieved employee, and the remedy sought. Such a grievance must be presented no later than seven (7) calendar days after the employee learned of his discharge or twelve (12) calendar days from the date of his certified discharge letter, whichever is earlier.

Not later than five (5) workdays after receipt of this written grievance, the Department/Plant manager, or his designee, shall meet with the employee and the Steward and/or Business Representative. The Department/Plant manager, or his designee, shall give his written answer to the grievance within five (5) workdays after such meeting. A written answer submitted by the Company shall be signed and dated by the Department/Plant manager or his designee, and such answer shall be final and binding on the employee, Union and the Company, unless it is timely appealed to arbitration by the Union

in accordance with the procedures set forth in Section XXVI of this Agreement.

25.3 Time Limitations

It is the intention of both parties to meet the time limitations set forth in this Section. Any request to extend a timeline prior to the deadline will not unreasonably be withheld. No grievance shall be accepted by the Company unless it is submitted or responded to within the time limits set forth in this Section of the Agreement. If the grievance is not timely submitted at Step 1 or Step 2, it shall be deemed waived. If the grievance is not timely appealed to Step 3, it shall be deemed to have been settled in accordance with the Company's Step 2 answer.

For a grievance contesting a discharge: if such grievance is not timely submitted in accordance with Paragraph 25.2 d. above, it shall be deemed waived.

25.4 If the Company fails to answer within the time limits set forth in this Section of the Agreement, the grievance shall automatically proceed to the next step of the grievance procedure.

SECTION XXVI ARBITRATION

26.1 Any grievance, as defined in Section XXV of this Agreement, that has been properly and timely processed through the grievance procedure set forth in this Agreement and that has not been settled at the conclusion thereof, may be appealed to arbitration by the Union serving the Company with written

notice of its intent to appeal. The failure to appeal a grievance to arbitration in accordance with this Section within twenty (20) calendar days after receipt of the written answer of the Company at Step 3 of the grievance procedure set forth in Section XXV of this Agreement shall constitute a waiver of the Union's right to appeal to arbitration, and the written answer of the Company at Step 3 of the grievance procedure shall be final and binding on the aggrieved employee(s), the Company, and the Union.

- 26.2 The Company and the Union mutually agree to the following panel of five (5) arbitrators: A. Doug Collins, B. Edna Francis, C. Paul Roose, D. John Kagel and E. David A. Weinberg. Each of the listed arbitrators is empowered to preside over any case, properly brought before him, pursuant to this Section XXVI. The arbitrator labeled "A" will be contacted to preside over the first case properly appealed to arbitration during the term of this Agreement. If either the Company or the Union feels that said arbitrator cannot hear the case in a timely manner, arbitrator "B" will be contacted to hear the case. If either the Company or the Union feels that arbitrator "B" cannot hear the case in a timely manner, arbitrator "C" will be contacted. This procedure will be followed until the case is actually docketed with an arbitrator on the list. For the next arbitration case that arises, the parties will contact the arbitrator whose letter immediately follows the letter of the arbitrator assigned to the first case; for the third arbitration, the parties will contact the arbitrator whose letter immediately follows the arbitrator assigned to the second case, and so forth and so on. However, in no event will any arbitrator hear two (2) cases in a row. If circumstances call for such a happening, the parties will have to agree on the availability of one of the earlier-contacted arbitrators as being timely and assign the case to that arbitrator.

- 26.3 Not later than twenty (20) calendar days after the Union serves the Company with written notice of intent to appeal a grievance to arbitration, the Company and the Union shall confer and agree on the appropriate arbitrator to be contacted in accordance with paragraph 26.2 above. Said arbitrator will be contacted and the procedure described in 26.2 will be followed until the case is assigned.
- 26.4 The jurisdiction and authority of the arbitrator and his opinion and award shall be confined exclusively to the interpretation and/or application of the express provision(s) of this Agreement at issue between the Union and the Company. He shall have no authority to add to, detract from, alter, amend, or modify any provision of this Agreement; to impose on either party a limitation or obligation not explicitly provided for in this Agreement; or to establish or alter any wage rate or wage structure. The written award of the arbitrator on the merits of any grievance adjudicated within his jurisdiction and authority shall be final and binding on the aggrieved employee(s), the Union and the Company.
- 26.5 The fee of the arbitration association service and the fees and expenses of the arbitrator, the hearing room and court reporter (if applicable) shall be split equally by the parties. For all other matters related to the arbitration, each party shall bear its own arbitration expense.
- 26.6 As a condition of employment, the Company may require employees hired on or after July 1, 2021 to sign a Mutual Agreement to arbitrate claims that are not covered by the grievance provisions set forth in Section XXV of this Agreement.

SECTION XXVII

DISCIPLINE

27.1 Purpose and Application

Management has the right to reprimand, suspend, discharge, or otherwise discipline employees for just cause. When an employee's performance is unsatisfactory, when an employee's attendance is unsatisfactory, or when an employee violates the rules and regulations of the Company, appropriate disciplinary action may be taken, up to and including termination of employment.

27.2 Classification of Progressive Disciplinary Action

Whenever an employee commits an offense warranting disciplinary action, his or her Team Leader or Manager may begin disciplinary action at any of the stages listed below, depending upon the seriousness of the offense committed. Thus, the implementation of this section should not be construed as preventing, limiting, or delaying the Company from taking appropriate disciplinary action against any employee at any level, including termination without prior warning, where the Company deems such action appropriate. The progressive disciplinary process will cover all performance and work rule issues with the exception of attendance related issues, which will have a separate disciplinary process.

a. Documented Employee Counseling

Employee is counseled by the Team Leader or Manager regarding his or her performance or conduct following an offense in an effort to eliminate possible

misunderstandings, improve job performance, or to explain what constitutes proper conduct. This counseling is documented in writing. Any employee counseling that is not entitled “documented employee counseling” is not subject to the grievance and arbitration procedure.

b. Written Reprimand

Employee receives written notice of discipline after continued poor job performance or repeated offenses or where the Team Leader or Manager believes that an offense in the first instance is serious enough to warrant dispensing with a documented employee counseling and issues a formal written notice. The purpose of a written reprimand is to make certain that the employee is aware of the level of the misconduct he/she has committed or is aware of those areas of performance that must be improved.

c. Final Written Reprimand

Employee receives final written notice if sufficient progress in the area of job performance has not occurred after prior documented employee counseling or written reprimand, there have been repeated offenses, or serious misconduct.

d. Disciplinary Suspension

Disciplinary suspension without pay occurs when an employee fails to correct his or her performance after repeated warnings prompted by the accumulation of offenses or by a serious offense or incident of misconduct.

e. Termination

Termination may take place when the Company has tried to have an employee correct his or her performance or conduct, and the employee has not responded, or when the employee's misconduct is of such a serious consequence that the Company determines that discharge is warranted.

Where an offense is possibly so serious in nature that Management believes a discharge is warranted, the Team Leader will immediately suspend the employee with pay pending further investigation and review of the incident. Notification of such a suspension will be furnished to the local Union.

In the event a discharge is determined to have been unwarranted, the employee shall be reinstated in good standing, without prejudice or loss of seniority rights, and shall receive full pay for the time lost, less the amount of earnings elsewhere during the period of time between the employee's discharge or suspension and the date that the employee is put back on the Company's payroll. Nothing herein shall interfere with the arbitrator's authority to determine upon the facts that a temporary disciplinary layoff without pay might have been justified, rather than a discharge.

In the event any employee is discharged, such employee shall receive full pay due the employee, including prorated vacation earned as set forth in Section XVIII, less any monies due the Union on check-off.

SECTION XXVIII

OVERTIME AND PREMIUM PAY

- 28.1 For all time actually worked in excess of forty (40) hours in a regular workweek, an employee shall be paid (i) the employee's regular hourly rate for the time ("Base Regular*"), plus (ii) the overtime premium of one-half (0.5x) times the regular rate of pay calculated in accordance with federal law ("PmOTStat 0.5x*"), provided the employee has worked or has been paid for forty (40) straight-time hours in the current workweek including time paid by the Union while conducting Union business. Terms in this Section XXVIII with an asterisk (*) appear on the employee's wage statement.
- 28.2 There shall be no duplication or pyramiding of overtime and other premium pay, with one exception—time worked on a holiday will not be subtracted from an employee's total time worked in a workweek for overtime purposes. For each workweek, the employee is entitled to the higher of (i) the federal overtime premium ("PmOTStat 0.5x*"), or (ii) the applicable CBA premium(s), described in Sections 28.3 through 28.6 (e.g. "PmOTcba 0.5x*", "PmOTcba 1.0x*", "Pm Shift Dif*", "Pm Rst Day*", and "PmGovHolWrkd*"). Therefore, the employee's wage statement also shows the "Premium Offset*", which is the deduction of the lower of (i) or (ii), calculated separately for each workweek and reported as a total amount for the two workweeks combined.
- 28.3 The following applies to employees whose regular schedule is comprised of five (5), eight-hour days:
- a. For all work in excess of eight (8) hours in a workday up to and including the twelfth hour, the employee shall be

paid (i) the employee's applicable regular hourly rate for that time ("Base Regular*"), plus (ii) a premium equal to one-half (0.5x) of that hourly rate for that time worked ("PmOTcba 0.5x*").

- b. For all work in excess of twelve (12) hours in a workday or for any work in excess of eight (8) hours on the seventh consecutive day of work in the workweek, the employee shall be paid (i) the employee's applicable regular hourly rate for that time ("Base Regular*"), plus (ii) a premium equal to that hourly rate for that time worked ("PmOTcba 1.0x*").

28.4 The following applies to employees whose work schedule is comprised of four (4), ten-hour days:

- a. For all work in excess of ten (10) hours in a workday up to and including the twelfth hour, the employee shall be paid (i) the employee's applicable regular hourly rate for that time ("Base Regular*"), plus (ii) a premium equal to one-half (0.5x) for that time worked ("PmOTcba 0.5x*").
- b. For all work in excess of twelve (12) hours in a workday, the employee shall be paid (i) the employee's applicable regular hourly rate for that time ("Base Regular*"), plus (ii) a premium equal to that hourly rate for that time worked ("PmOTcba 1.0x*").

28.5 The following applies to employees on the continuous operations schedule:

- a. For all work in excess of twelve (12) hours in a workday, the employee shall be paid (i) the employee's applicable

regular hourly rate for the time (“Base Regular*”), plus (ii) a premium equal to that hourly rate for that time worked (“PmOTcba 1.0x*”).

- b. For all work time on the seventh consecutive day of work in a workweek, the employee shall be paid (i) the employee’s applicable regular hourly rate for the time (“Base Regular*”), plus (ii) a premium equal to the hourly rate for that time worked (“PmOTcba 1.0x*”). For the purpose of applying this paragraph 28.5b, a minimum of four (4) hours must be worked on a particular workday to be considered as counting toward the number of consecutive days worked.

28.6 The following additional premiums apply to employees on a regular work schedule, a four (4) ten-hour days schedule, or a continuous operations schedule:

- a. For all work performed on the holidays listed in paragraph 17.1 or a substituted day under paragraph 17.2 or 17.3, the employee shall be paid (i) the employee’s applicable regular hourly rate for that time (“Base Regular*”), plus (ii) a premium equal to one-half (0.5x) of that hourly rate for the time worked (“PmGovHolWrkd*” or “Co Hol Wrkd*”).
- b. When an employee is paid a shift differential (“Shift Dif*”) prescribed by paragraphs 11.9 and/or 11.91 and also earns a premium under paragraph 28.2 (“PmOTStat 0.5x*”), paragraph 28.3a (“PmOTcba 0.5x*”) or paragraph 28.3b (“PmOTcba 1.0x*”), the employee also shall be paid a shift differential premium equal to one-half (0.5x) of the applicable shift differential paid (“Pm Shift Dif*”).

- c. When an employee is paid a shift differential prescribed by paragraphs 11.9 and/or 11.91 and also works on a holiday, the employee also shall be paid a premium of one-half (0.5x) of the applicable shift differential paid (“Pm Shift Dif*”).

28.7 The Company has shown, and will continue to separately list on each employee’s wage statement, (i) all Regular hours (showing the sum of all hours worked that are regular (non-overtime), overtime, applicable CBA premium, and holiday hours), (ii) all premiums, (iii) the Premium Offset, and (iv) any other components of wages.

SECTION XXIX

OVERTIME PROCEDURE

29.1 Preference to overtime work following a shift shall be given to the employee performing the job prior to the expiration of the shift. In the event additional employees are needed for overtime work within the same department pool, then preference shall be given to the employees with the greatest plant seniority within that department pool on that shift provided they have the skills and ability to perform such work. Scheduled shift overtime in a department pool shall be assigned to qualified employees in the department pool on the shift in which the overtime commences.

29.2 Preference for overtime work on a Saturday, Sunday, (Sunday, Monday for employees who are working a Tuesday through Saturday workweek, e.g., Sanitation) or holiday shall first be given to employees working on that shift in the department pool scheduling overtime in accordance with the employees’ plant seniority provided they have the skills and ability to perform such work.

- 29.3 Overtime work for all employees shall be on a voluntary basis, from the department pool first, then the department as a whole, for those employees who have the skills and ability, with right of refusal by seniority subject to the provisions of the Shift Preference Section herein, Section 10, provided, that where an insufficient number volunteer, junior seniority employees from the department pool first, then the department as a whole, who have the skills and ability may be assigned to said work and shall work overtime so assigned.
- 29.4 In the event that, pursuant to 29.3 above, a junior seniority employee is forced to work overtime for which there was insufficient volunteers on more than three “early in and/or stay over” overtime segments in a row, the Company may bypass that particular employee (if that employee chooses to be bypassed) on the next consecutive day and assign the next most junior seniority employee who has the skills and ability to perform such overtime. When a junior seniority employee is forced to work a full, regular shift, such full, regular shift does not count as one of the three, aforementioned overtime segments.
- 29.41 For an employee on the continuous operations work schedule, as a result of forced overtime, such employee will not be required to work more than four (4) consecutive, 11.75-hr. shifts in a row.
- 29.42 For an employee on the Monday through Friday, 5-8 work schedule, if such employee has an approved vacation day on a Friday or a Monday, that employee will initially be deemed ineligible for any forced overtime that occurs on the Saturday and/or Sunday shift connected to such Friday or Monday approved vacation day(s). However, a Friday or Monday vacation requested less than eight (8) calendar days

in advance may be approved for the requested day but will not exempt the employee from forced overtime on the Saturday and/or Sunday.

- 29.43 The application of paragraphs 29.4, 29.41, and 29.42 shall not result in the shutdown of any operations.
- 29.5 An overtime sign-up and check-in procedure will be developed to minimize errors in assignment of overtime. Errors made in the administration and assignment of overtime will be remedied through future overtime opportunities in the subsequent 4-week period as decided by the Company.
- 29.6 An employee who is not excused by the Company from performing assigned overtime, no matter whether the overtime to be worked is voluntary or occurs pursuant to 29.3 or 29.4 above, and who fails to report for overtime, will be subject to discipline.
- 29.7 Preference for Sunday night start-up work in a department pool, for reporting times of 7:30 p.m., or later, shall first be given to Graveyard employees in that department pool in accordance with the employees' plant seniority, provided they have the skills and ability to perform such work.

SECTION XXX

DRUG AND ALCOHOL TESTING PROGRAM

I. POLICY

The Company is concerned about the use of alcohol and controlled substances in or affecting the work environment.

Use, and particularly abuse, of alcohol and/or controlled substances on the job adversely affects an employee's efficiency, safety, health, and therefore impairs his/her value as an employee. In addition, it constitutes a potential danger to the welfare of other employees. It exposes the Company to risks of property loss/damage or injury to other persons.

Therefore, it is the policy of the Company that no employee will be allowed to work who misuses prescription drugs or possesses, distributes, sells, offers to sell or distribute, uses or who has a forensically acceptable positive quantum of proof (as set forth herein) of any drug, controlled substance or alcohol in his or her body. Any employee who violates this policy is subject to immediate discharge.

This policy is applicable to all employees of the Company. The requirements of this procedure will also be applied to all employees reporting a potential or actual industrial injury, any employee who contributed to or directly caused an occupational accident or any employee suspected of being under the influence of controlled substances or alcohol while working.

II. DEFINITIONS

- A. For purposes of this policy, an employee shall be considered "on the premises" whenever he/she is:
1. On Company property, including parking lots
 2. At a job site
 3. Driving or riding as a passenger in a Company vehicle

or a private conveyance for which the Company has authorized reimbursement.

- B. “Drug” or “controlled substance” - any substance or medication that will modify one or more of the normal body functions when administered to an individual (i.e., coordination, reflexes, vision, mental capacity or judgment, etc.).
- C. “Alcohol” - an intoxicant from fermented or distilled liquors.

III. PROCEDURE

In order to eliminate the safety risks, which result from being under the influence of alcohol or drugs, the parties have agreed to the following procedures:

In cases in which an employee is acting in an abnormal manner and the Employer has probable suspicion to believe that the employee is under the influence of controlled substances and/or alcohol, the Employer may require the employee (in the presence of a Union Shop Steward, if possible) to go to an on-site or off-site medical clinic or medical office to provide a specimen for drug and alcohol laboratory testing. Probable suspicion means suspicion based on specific personal observations that the Employer representative can describe concerning the appearance, behavior, speech, or breath odor of the employee or discovery of paraphernalia on Company property that can be reasonably linked to the employee. An employee's involvement in an industrial accident or injury constitutes probable suspicion, regardless of whether reported at the time of the injury or thereafter. Except for suspicion based on an industrial accident, suspicion is not probable and

thus not a basis for testing if it is based solely on third-party observation and reports. If requested, the employee will sign a consent form authorizing the clinic or office to collect a urine/blood specimen for drug testing and a breath exhalation/blood specimen for alcohol testing and releasing the results of the laboratory testing to his/her Employer.

When an employee is asked to submit to a drug test and/or alcohol test, he/she shall be informed of the reasons he/she is being asked to submit to the test. The employee shall be informed that refusal to submit to the testing will result in discharge, and if an employee submits a urine specimen with a temperature of below 90 degrees Fahrenheit, it will result in discharge. If an employee submits a urine specimen with a temperature of 100 or more degrees Fahrenheit, a blood specimen from that employee will be collected for testing purposes.

If the employee consents to testing, he/she shall sign a form of consent authorizing the exhalation of breath and/or the withdrawal of blood for alcohol testing and a specimen of urine and/or blood for drug testing, and releasing the results of the laboratory testing to the Employer, but this shall not constitute a waiver of any claim or cause of action under the law.

In some cases, the employee may be unable to provide an adequate exhalation and/or urine sample. After a reasonable waiting period (not to exceed one hour), the Employer and/or clinic and/or laboratory and/or physician may proceed with drawing and testing a blood sample.

IV. CHAIN OF CUSTODY PROCEDURES

Alcohol Testing by Evidentiary Breathalyzer

When possible, alcohol testing will be performed using an evidentiary alcohol breathalyzer. If the breathalyzer result for the first exhalation of breath is less than .05 percent, the test shall be deemed negative and no further alcohol testing will be performed. If the breathalyzer result for the first exhalation of breath is equal to or greater than .05 percent, a second confirmatory test will be performed. If the breathalyzer result for the second exhalation of breath is less than .05 percent, the test will be deemed negative and no further alcohol testing will be performed. If the breathalyzer result for the second exhalation of breath is equal to or greater than .05 percent, such test shall be deemed a positive and no further alcohol testing will be necessary.

Alcohol Testing by Blood Specimen

When an evidentiary breathalyzer is not available for any reason, alcohol testing will be performed using a blood specimen. Immediately after the blood specimen is collected, the blood container shall, in the presence of the employee, be labeled and then initialed by the employee. If the sample is collected at a clinic that does not perform the actual testing of the sample, the specimen shall be placed in a transportation container. The container shall be sent to the testing laboratory as soon as possible, most often on that day or the next business day.

Drug Testing by Urine Specimen

Specimens will be tested by the collection site. If the collection site deems a test result negative, no further action regarding that specimen will be taken. If the collection site deems a test result positive, the specimen for the laboratory must be

immediately sealed, labeled, and initialed by the employee to ensure that the specimen tested by the laboratory is that of the employee.

Drug Testing by Blood Specimen

When a urine specimen cannot be produced, a blood specimen shall be taken. Immediately after the blood specimen is collected, the blood container shall, in the presence of the employee, be labeled and then initialed by the employee. If the sample is collected at a clinic that does not perform the actual testing of the sample, the specimen shall be placed in a transportation container. The container shall be sent to the testing laboratory as soon as possible, most often on that day or the next business day.

The parties recognize that the key to chain of custody integrity is the immediate labeling and initialing of the specimen in the presence of the tested employee. If each container is received at the laboratory in an undamaged container with properly sealed, labeled and initialed specimens, as certified by that laboratory, the Employer may take disciplinary action based upon properly obtained laboratory results.

V. DISCIPLINARY ACTION

The Employer may take disciplinary action based on the test results as follows:

- A. If the confirmatory test results show a forensically acceptable positive quantum of proof for levels outlined in Table A below, of cocaine, heroin, PCP, LSD, barbiturates, amphetamines, or any other controlled substance (excluding marijuana) or the presence of a

forensically acceptable amount of metabolites of the above-mentioned substances, said results shall constitute just cause for immediate discharge.

- B. If the initial test results meet or exceeds 50 nanograms cannabinoids and/or total cross-reactive cannabinoids or the equivalent depending on the methodology used by the laboratory and of the metabolites measured, and is confirmed with a second test using a different methodology, and such second test results in an amount equal to or greater than the Confirmatory Test Level outlined in Table A below, said results shall constitute just cause for immediate discharge.

The Company does not accept medical use of marijuana as a defense to a positive result. Medical marijuana includes any cannabinoid-based drug, such as Marinol (dronabinol), THC or Sativex. Just cause for immediate discharge shall still apply.

The Company strictly prohibits any use of marijuana or any of its derivatives for medical, recreational, or for any other reason. Incurring a positive result for metabolites in any amount equal to or greater than the confirmatory test level of 15 ng/mL shall constitute just cause for immediate discharge.

- C. If the test results show a concentration in the person's blood equal to or above the equivalent of .05 BAC, said results shall constitute just cause for immediate discharge, subject to the provisions of the Rehabilitation Section herein.

- D. If an employee is convicted of driving under the influence of alcohol while operating a Company vehicle, said conviction shall constitute just cause for disciplinary action, up to and including immediate discharge.

VI. LABORATORY REQUIREMENTS

A. Urine Testing

The clinic or laboratory conducting the initial urine test will be instructed to test each sample using an appropriate initial screening test methodology (e.g. immunoassay). If the initial test is positive, then a confirmatory test using a different methodology (e.g., gas chromatography/mass spectrometry) will be performed on the same sample. The threshold level for cannabinoids in the initial screening test is fifty (50) or more nanograms of cannabinoids and/or total cross reactive cannabinoids per milliliter of urine or the equivalent depending on the methodology of the test and the metabolites.

B. Blood Testing

Where blood specimens alone are obtained, the blood/serum must be analyzed using appropriate methodology such as gas chromatography/mass spectrometry.

If a blood specimen is tested for cannabinoids, it will be reported as positive under any of the following results obtained after testing blood specimens by gas chromatography/mass spectrometry.

1. The blood/serum contains at least 2 and up to 5

nanograms THC/ml and at least 10 nanograms THC metabolites/ml;

2. The blood/serum contains at least 5 or more nanograms THC/ml, regardless of the THC metabolites concentration; or
3. The blood/serum contains 15 or more nanograms THC metabolites/ml, regardless of THC concentration.

If none of the above blood marijuana findings results are obtained, a “negative” finding shall be reported.

C. Specimen Retention

All specimens deemed positive by the laboratory according to the prescribed guidelines must be retained at the laboratory for a period of six (6) months.

D. Approved Testing Laboratories

The laboratories used must be able to perform all the required testing procedures for probable suspicion under one roof to maintain chain of possession integrity. The Company agrees to use a Substance Abuse and Mental Health Services Administration (SAMHSA) certified testing laboratory. The parties agree to mutually establish a list of approved laboratories. The parties also agree to retain the right to audit and inspect the individual laboratories to determine conformity with the laboratory requirements as established herein.

E. Prescription and Non-Prescription Medications

The employee shall note, on a form furnished by the Employer and/or clinic and/or laboratory and/or physician, the use of any prescription or non-prescription medications before any test is given. The Employer may require the employee to provide evidence that a prescription medication has been lawfully prescribed by a physician. If an employee is taking a prescription or non-prescription medication in the appropriate described manner and has noted such use, as provided above, he/she will not be disciplined for such. Medications prescribed for another individual, not the employee, or prescribed for the employee but not used in the manner as prescribed, shall be considered to be illegally used and subject the employee to discipline.

F. Minimum Detectable Amounts

The minimum detectable amounts for initial and second tests referred to in Section V or VI of this Program are shown in Table A below.

TABLE A

DRUG CLASS	INITIAL TEST LEVEL	CONFIRMATORY TEST LEVEL
Amphetamines	1000 ng/mL	500 ng/mL
Barbiturates	300 ng/mL	200 ng/mL
Benzodiazepines	300 ng/mL	200 ng/mL
Cocaine Metabolite	300 ng/mL	150 ng/mL
Marijuana Metabolite	50 ng/mL	15 ng/mL

TABLE A, Continued

DRUG CLASS	INITIAL TEST LEVEL	CONFIRMATORY TEST LEVEL
Opiates	300 ng/mL	300 ng/mL
Phencyclidine	25 ng/mL	25 ng/mL
Alcohol, Ethyl	.05 BAC	.05 BAC

VII. CONFIDENTIALITY

There will be up to two persons in Human Resources who will be designated to receive testing results from the Medical Review Officer (MRO). They will notify other Company managers strictly on a need-to-know basis.

VIII. REHABILITATION

- A. An employee found to be under the influence of alcohol at work will be permitted the opportunity to enter a rehabilitation program for treatment of abuse of alcohol.
- B. An employee shall be permitted the opportunity to enter a drug abuse treatment program, provided the employee requests to enter the program at a time when he is not under investigation for being under the influence of drugs at work.
- C. Employees shall be allowed only one opportunity to enter into a treatment program, provided that if within ninety (90) days following the conclusion of the initial period of treatment, the employee voluntarily requests an opportunity for a second course of treatment because the first one was unsuccessful, and the employee is at that time not under investigation for being under the

influence of alcohol and/or drugs at work, the employee shall be allowed to submit himself for a second course of treatment.

- D. To be eligible to return to work, the employee must complete, to the full satisfaction of the rehabilitation clinic or counselor, the required course of treatment, and the employee must, to the satisfaction of the rehabilitation clinic or counselor, continue with all post-program follow-up care, therapy, meetings, consultations, tests and evaluations.
- E. Each rehabilitation program must be approved by the Company for the employee to be validly enrolled therein.
- F. Upon complying with the conditions set forth in Paragraphs D and E above, the employee shall be eligible to return to work under the conditions outlined in this Paragraph.
 - 1. The employee shall be placed on a probationary period of one year, during which time the employee is subject to discharge without recourse to the grievance procedure in the event of any violation of Section I, POLICY of the Drug and Alcohol Testing Program.
 - 2. The employee further agrees to sign a separate waiver of the right to bring any action against the Employer before any administrative agency or court arising out of a discharge as described herein.

3. The employee may be reassigned from his position to an equal or lower paying position where, in the discretion of the Company, the continuation of the employee in his former position presents a potential danger of injury to the employee involved or other employees who work with or in the area of the employee, or the risk of damage to Company property, facilities or equipment.
 4. The employee agrees to submit to such random drug testing as may be required or requested by the rehabilitation program, counselor or clinic, and up to six (6) random tests as requested by the Company at any time during the employee's one-year probationary period.
- G. The foregoing agreement to permit employees to enroll in a rehabilitation program is inapplicable to any employee who is discovered to be consuming, selling, offering to sell or distribute, distributing or in possession of alcohol or illegal drugs. This agreement to submit employees to rehabilitation is not applicable to any employee who, while under the influence of alcohol or illegal drugs, is involved in an accident involving injury to any person, including the employee, or damage to property. This agreement to submit employees to rehabilitation is not applicable to any employee determined by the rehabilitation program, clinic or counselor not to have a problem or habit with alcohol or drugs or who is deemed not to be able to benefit from a rehabilitation program.
- H. Employees who are not eligible for rehabilitation but found to have violated Section I, POLICY, shall be

subject to discharge in accordance with the provisions of the Drug and Alcohol Testing Program. Employees who do not successfully complete the program or violate the provisions of follow-up care are subject to discharge.

It is understood that when an employee is subject to any or all of the above requirements, such requirements are in addition to any disciplinary action received by the employee because his or her actions also violated any company policy or rule of conduct.

SECTION XXXI
HEALTH AND WELFARE, MAJOR MEDICAL,
DENTAL, DEPENDENT CARE ASSISTANCE
PROGRAM (DCAP) AND EMPLOYEE
ASSISTANCE PROGRAM (EAP)

- 31.1 Effective in April, 2021 (first payable in May, 2021), a premium payment of \$1,130.83 per month, per eligible or covered employee shall be made to the UFCW National Health and Welfare Fund. Such payment will not be made on behalf of probationary employees.

Effective for coverage on or after April 1, 2021, employees shall have deducted from their paychecks, as their share of the cost of Gallo 2021 Health and Welfare benefits, a pre-taxed deduction as shown below per month for a period of twelve (12) months. Effective for coverage on or after April 1, 2022, the premium will reflect the previous premium, plus a 50%/50% share of any increase or decrease, if necessary. The total premium increase for 2022 shall not exceed 12% percent.

The total premium increases for 2023 and 2024 are targeted to be 10% or less each year. Any amount of percentage increase for years 2023 and 2024 that is less than 10% will be added to the subsequent year's increase, if necessary. For example, if the increase in 2023 is 8%, the maximum allowable increase for 2024 will be 12%.

	Effective April 1, 2021
Employee Only	\$299
Employee +1	\$360
Employee + 2 or more	\$419

Should any increases occur, the employee's adjusted premium payment shall be deducted from the employee's paycheck and the Employer shall remit the full amount of contribution required by the UFCW National Health and Welfare Fund.

31.2 The UFCW National Health and Welfare Fund shall provide medical coverage (excluding death benefits and accidental death benefits) for retirees who retired at age 60 or thereafter and have at least fifteen (15) years of service and their spouses as follows:

- a) For persons who retire on or after July 1, 1995, and their spouse at the time of the retirement, medical coverage will be the same as active employees and will be provided during the term of this Agreement or until the covered retiree becomes (1) eligible for Medicare or (2) reaches age 67, whichever is earlier (it is understood that when (1) or (2) above happens, the retiree's spouse loses coverage). An employee, who retires on or after September 1, 1995, shall make the same premium co-payment as active employees. Payment shall be made to

the Employer. Failure to make the retiree premium co-payment to the Employer by the fifth (5th) working day of the covered month when said premium is due shall result in the medical coverage being terminated.

- b) The Employer shall make all reasonable efforts to advise covered persons of premium co-payment changes. The persons covered are responsible for providing address and spousal status changes as needed. Advance payments of up to six (6) months may be made as long as the advance payments do not extend beyond March 31 of each year of this Agreement.

31.3 The premium for the retiree health and welfare plan stated in paragraph 31.2, (a) shall be \$2,188.61 per month for covered retiree and spouse below the age of 65. The Health and Welfare Trust Plan shall experience rate the retiree benefit in paragraph 31.2 separately from any other benefit plan. Any unfavorable experience in the paragraph 31.2 plan that results in a premium increase shall be paid for by the Employer. Any favorable experience in the paragraph 31.2 plan shall be credited back to the Employer through a decrease in the premium amount paid for retiree health and welfare coverage.

31.31 An otherwise eligible employee may opt out of the health care benefits under this Agreement. The opt-out will take effect the next month. Reacquiring coverage under the UFCW National Health and Welfare Fund for an employee who opts out can only occur during open enrollment or upon the occurrence of a “qualifying event” as defined under COBRA regulations.

31.4 The Employer can opt out of the UFCW National Health and Welfare Fund with the Union’s consent, thereby ceasing all of Employer’s obligations as to the Fund, including, but not

limited to, the obligations to pay contributions as set forth above in Paragraphs 31.1 and 31.2; however, the Employer must give the appropriate local union at least four (4) months' notice of its intent to opt out of the Fund and must provide the appropriate local union the schedule of benefits of the new plan proposed by the Employer.

- 31.5 The Company shall provide a non-contributory Dependent Care Assistance Program (DCAP) for all employees with Union seniority. All eligible employees will be subject to the DCAP plan description.
- 31.6 EAP - The Company shall provide an Employee Assistance Program (EAP) for all employees.
- 31.7 For April through December, 2021, and January, 2022 through December, 2022, an eligible employee pays \$22.00 per month (payable on a pre-tax basis), to the Delta Dental Plan of California for benefits as provided. For coverage after December, 2022, the amount an employee pays monthly will be adjusted based on a 50%/50% sharing of any increase or decrease between the employee and the Company which occurs to the total monthly premium, provided that such a change in the premium is declared by the dental insurer. Any increase or decrease to what the employee pays would be effective when the dental insurer's premium change is effective. Such payments will not be made on behalf of probationary employees.
- 31.8 The Company and the Union agree that the total of an individual employee's share of the monthly medical and dental premiums can be deducted (on a pre-tax basis) from the employees' paychecks in two (2) equal installments during a month.

- 31.9 The parties agree that they may, by mutual agreement, reopen only Section XXXI of this Agreement, for purposes of discussing the effects of any federal, state or local healthcare legislation. Any mutually agreed upon modifications shall be made in writing and shall become part of this Agreement.
- 31.10 The Company will purchase \$30,000 of term life insurance for any employee who attains seniority to supplement the term life insurance benefit provided by the UFCW National Health and Welfare Fund.

SECTION XXXII

WORKERS' COMPENSATION

- 32.1 In the event an employee is injured while at work and is required to leave work, the employee shall be paid his full pay for the day of the injury, provided the employee requires medical attention and upon the advice of the attending physician is unable to return to work.
- 32.2 Employees who have light duty restrictions due to an industrial injury and return to work shall receive the rate of pay they were earning at the time of the injury for up to two (2) calendar weeks.

SECTION XXXIII

SICK PAY

33.1 For Full-Time Employees:

- A. Any new employee hired from January 1 through October 2,

shall have 16, 20, or 23.5 hours of sick pay (depending on the shift duration of his/her assigned schedule) placed in his/her sick pay bank, after ninety (90) calendar days of employment. Any new employee hired from October 3 through December 31 shall have 16, 20, or 23.5 hours of sick pay placed in his/her sick pay bank on the 1st of January immediately following his/her hire date. On each January 1 thereafter, an employee shall have 16, 20 or 23.5 hours of sick pay (depending on the shift duration of his/her assigned schedule) placed in his/her sick pay bank. On January 1, 2022 and each January 1 thereafter, an employee who has a minimum of one year of service and a minimum of 1500 hours worked (defined as regular hours worked, straight-time and overtime, and approved time off to conduct union business) during the previous year will receive an additional 24, 20, or 16.5 hours of sick pay placed in his/her sick pay bank.

- B. The maximum amount of sick pay that an employee can accumulate is one hundred and sixty (160) hours.
- C. On a January paycheck of each year, any employee who earned sick pay in the previous year which would have taken his/her balance to 168 hours or greater will be paid that amount of sick pay that is above 160 hours at the employee's current, straight-time, classified hourly rate.

33.2 For Part-Time Employees:

- A. Any part-time employee hired from January 1 through October 2 of any year will be awarded 16, 20, or 23.5 hours of sick pay (depending on the shift duration of his/her assigned schedule) after ninety (90) calendar days of employment.

Any part-time employee hired between from October 3 through December 31 of any year will be awarded 16, 20, or 23.5 hours of sick pay, depending on the duration of the shift of the schedule to which he/she is assigned on the 1st of January that immediately follows his/her hire date.

On January 1, 2022 and on January 1 of each year thereafter, a part-time employee who has a minimum of one year of service shall have 16, 20, or 23.5 hours of sick pay (depending on the shift duration of his/her assigned schedule) placed in his/her sick pay bank. On January 1, 2022 and on January 1 of each year thereafter, a part-time employee who has a minimum of one year of service and at least 1000 hours worked (defined as regular hours worked, straight-time and overtime, and approved time off to conduct union business) in the previous calendar year, shall receive an additional 8, 10, or 11.75 hours of sick pay (depending on the shift duration of his/her assigned schedule) placed into his/her sick pay bank on that January 1 date.

- B. A part-time employee may accumulate up to a maximum of ninety-six (96) hours of sick pay. On a January paycheck of each year, any part-time employee who earned sick pay in the previous year which would have taken his/her sick pay balance to 104 hours or greater will be paid that amount of sick pay that is above 96 hours at the employee's current straight-time hourly rate. In the event that a part-time employee becomes full-time, his/her sick pay balance carries over.

33.3 For Seasonal Winery Workers (SWW):

- A. Up to sixteen (16) hours of sick pay, payable at the straight-time SWW rate, plus shift differential, if applicable, will be paid to a SWW following the completion of 120 hours of

work in any particular harvest, provided he/she worked at least 400 hours during the harvest that immediately preceded the harvest in which he/she requests sick pay.

- B. Any unused sick pay will be paid out to the employee on his/her last paycheck following his/her separation after a particular harvest, provided he/she worked at least 400 hours for that particular harvest.
- C. Sick pay can be used for any of the purposes listed in Paragraph 33.4A below.

33.4 Applicable to All Employees:

- A. Sick pay is applicable for the diagnosis, care (including preventative care), or treatment of an existing health condition of the employee or an employee's child, parent, spouse or domestic partner (including care for a spouse or domestic partner recovering from the delivery of a newborn), grandparent, grandchild, sibling, or another individual related by blood or affinity whose close association with the employee is the equivalent of a family member. A "child" means a biological or adopted child, a foster child, a stepchild, a legal ward, or a child to whom the employee stands in loco parentis. Similarly, a "parent" means a biological or adoptive parent, a foster parent, a step-parent, an employee's legal guardian, a legal guardian of an employee's spouse or domestic partner, or a person who stood in loco parentis when the employee was a minor child. Employees who are victims of domestic violence, sexual assault, or stalking may use their sick pay for treatment, assistance, and other purposes authorized by California Labor Code Section 246.5(a)(2) and any other applicable regulation or local ordinance. An employee may

also use his/her sick allowance if the Employer, or the school or care-provider of the employee's child is closed because of public health emergency.

- B. Employees entitled to State Disability Benefits may have their weekly State Disability Benefits supplemented by their available sick pay in an amount equal to 100% of their net straight-time earnings based on their classified hourly rate, less statutory deductions.
- C. Sick pay will be paid, at the employee's straight time, classified hourly rate, plus shift differential, if any, for all absences related to the employee's use of sick pay as described in Paragraph 33.4A above.
- D. Sick pay will be paid in a minimum increment of two hours.
- E. For absences of three (3) or more scheduled shifts, the Company may require reasonable proof that the employee's request for sick pay was for one of the purposes listed above; however, in no event should the employee or the Union provide documentation that reveals confidential medical or other personal information. If an employee has no available sick pay, documentation is still required to return to work. Documentation is not required for absences of less than three days; however, it is required for any absence that occurs either the day before or the day after a holiday, the day prior to the start of or the day after the end of vacation.
- F. In the case of an industrial illness or injury, sick leave with pay up to a total of twenty-four (24) hours for the Worker's Compensation temporary disability waiting period at the rate of a full day's pay at straight-time earnings, Saturday and Sunday excluded (Sunday or Monday for Sanitation

employees who are working a Tuesday through Saturday workweek), will be allowed during the contract period, the date of notice of ratification through March 31, 2021, to all employees who have sufficient accrued sick leave pay to cover the work hours missed. If Worker's Compensation temporary disability payments are paid for said waiting period, no sick leave benefits shall be paid.

- G. Misrepresentation by an employee of the facts with respect to any absence for which benefits may be claimed by the employee shall disqualify the employee for such benefits and shall be just cause for disciplinary action, up to and including discharge.
- H. It is the intent of this Section that it simultaneously satisfies the California Labor Code Section 245.5 (a)(1) exemption to the Healthy Workplace Healthy Families Act ("Act") for employees covered by a valid collective bargaining agreement, but at the same time, fully complies with any applicable, local, municipality, paid, sick pay ordinance applicable to the Company's represented employees who fall under the jurisdiction of such ordinance. In the event that the Act or any such ordinance is repealed, modified, or amended in any manner wherein Company or any local union believes that the application of this Section to its employees is not compliant or consistent with the then-in-effect Act or ordinance because of such repeal, modification, or amendment, either party may request a meeting with the other to discuss how to bring the section into compliance.

SECTION XXXIV

401K PLAN

- 34.1 It is agreed that the Company will administer the E. & J. Gallo Winery Union Retirement Plan (the “Plan”) for all employees with union seniority. The Plan as described in the 2021-2025 Agreement will remain in effect through December 31, 2025. Effective the first pay day of January, 2022, the Plan will be altered to reflect that:
- a. Each pay day that occurs between January 1 to December 31, inclusive (“Calendar Year”) the Company will contribute 4.5% of an eligible employee’s gross pay earned for that pay period to that employee’s account in the Plan. This 4.5% Company contribution is called the “Base Benefit.”
 - b. In addition to the above, in the case of a probationary employee, the Base Benefit will be calculated using gross pay earned by such employee starting on the first day of the pay period following the date he/she accrued seniority upon the completion of the probationary period as set forth in Section VI of the CBA.
 - c. Each pay day, if applicable, the Company will make a matching contribution (“Matching Contribution”) to the employee’s account equal to one-half of the first 2% of wages contributed by the employee.
 - d. Immediate vesting occurs for any Base Benefit or Matching Contribution made to an eligible employee’s account in the Plan.

- e. Two (2) Union officials, one from each local, will serve in an advisory capacity on a Committee established for the Plan to consider administrative matters.

All eligible employees will be subject to the Plan description.

SECTION XXXV

NO STRIKE-NO LOCKOUT

- 35.1 The parties have agreed that there shall be no economic action taken by the Union as a result of any labor dispute with the Employer during the life of the Agreement. For the purposes of this section, “economic action” shall be defined as sympathy strikes, slowdowns, picketing or any adverse actions initiated, ratified, or participated in by the Union and its members. It is the intent of the parties that during the life of the contract there shall be no interruptions or interference with the Employer’s normal sales, production or shipping operations at any of the Employer’s locations.

SECTION XXXVI

WORKPLACE VIOLENCE

- 36.1 The Company will not tolerate acts of violence or threats of violence by any person and maintains a zero tolerance policy toward such actions. All violent acts by an employee and all threats by an employee are considered serious and will result in discharge.

SECTION XXXVII

SCOPE OF AGREEMENT

37.1 Separability

If any term or provision of this Agreement is, at any time during the life of this Agreement, adjudged by a court of ultimate authority to be in conflict with any law, such term or provision shall become invalid and unenforceable, but such invalidity or unenforceability shall not impair or affect any other term or provision of this Agreement. In the event of such a court decision, the parties will bargain or arbitrate the unresolved issue. Each party can frame the issue for arbitration.

37.2 Past Practices and Side Agreements

Since side agreements (oral or written), binding past practices, or letters of understanding between the parties prior to July 1, 2021, were either incorporated into this Agreement, or are contained in the section entitled “Supplemental Agreements Covering the Modesto, Livingston, or Fresno Facilities,” or no longer apply; they are null and void.

SECTION XXXVIII

TERMINATION OF CONTRACT

- 38.1 This Agreement shall become effective as of the date of notice of ratification to E. & J. Gallo and shall remain in full force and effect until midnight, March 31, 2025, and from year to year thereafter, unless either party gives at least sixty (60) days notice in writing to the other party prior to any annual expiration date of its desire to amend, terminate, or otherwise modify this Agreement.

SECTION XXXIX

GENDER

- 39.1 Wherever the masculine gender is used in this Agreement, it shall include the female and wherever the female gender is used in this Agreement, it shall include the male.

SECTION XL

MILITARY DUTY AND REEMPLOYMENT RIGHTS

- 40.1 The Company shall comply with the applicable federal and/or state law with respect to military duty and reemployment rights.
- 40.2 In the event of a national emergency declared by the President of the United States and/or Congress, during the term of this Agreement, employees who have attained seniority and are on active military reserve status and are called to active military duty status because of said national emergency, shall have their military pay (any and all types of military pay received) supplemented up to 100% of their straight-time, classified hourly rate take home earnings based on a 40-hour work week for a period not to exceed six (6) months for each event. Proof of military earnings is required.

SECTION XLI

WAGE PROTECTION

- 41.1 If at anytime during an employee's assigned shift during the regular work week, an employee whose classified hourly rate is Level 3 or above is assigned work below his pay level, that employee shall be paid his Level 3 or above classified hourly rate for the work he performs.

If at anytime during an employee's assigned shift during the regular work week, an employee who is a classified Level 2 Operator is assigned work below his pay level, that employee shall be paid his Level 2 classified hourly rate for the work he performs, if (a) a Level 2 employee junior to him is performing Level 2 work for which he possesses the skills and ability to perform and (b) such work is being performed within his department pool.

In the event that any employee, regardless of his classified hourly rate, is assigned to a job which pays below his classified hourly rate because of a layoff/reduction in force, then paragraph 8.3 of this Agreement governs.

SECTION XLII

SUPPLEMENTAL PART TIME WORKFORCE

- 42.1 The Company may employ hourly, part-time employees to perform bargaining unit work in any Modesto locations including Modesto East. The Company will not assign any part-time employee, Pay Level 4 or above, at Modesto East. The parties agree that hourly, part-time employees will not be used to displace current, full-time employees at any location. A part-time employee will not be used at any Modesto location, including Modesto East, if there is any Modesto departmental, full-time employee on layoff status who is capable of performing the work contemplated for a part-time employee, or assignable to such work under the Company's Return-to-Work policy. The number of part-time employees shall not exceed one hundred and fifty (150). E. & J. Gallo Winery retirees may be re-hired to become a part-time employee.

1. Upon completion of 600 hours under Section VI of the CBA, a part-time employee will accrue seniority under Section VII of the CBA. However, the employee remains in part-time status and accruing seniority does not guarantee full-time employment. With the exception of paragraphs 4 through 6 below, sick pay for part-time employees as it is described in Section XXXIII of this Agreement, and the term life insurance in Section XXXIV, a part-time employee is not eligible for any other Company-paid benefits, but will be paid the rate specified in the Collective Bargaining Agreement (CBA) between the parties for the work performed, including shift differential, if applicable. Any E. & J. Gallo Winery retiree who elects to become a part-time employee will be paid the Pay Level which was his classified hourly rate at the time of his retirement, including any increases made to such pay level under this CBA.
2. For the purposes of Section III of the CBA, following the month during which a part-time employee works his 600th hour, the Company will deduct from a part-time employee's pay, and remit to the Union, the applicable Union dues.
3. In the event that a full shift is not available on a workday on which part-timers are present in a particular operation, the applicable light workload procedure for that operational unit will be followed.
4. Full time employees who do not have any active discipline above a DEC who desire to convert to part-time status will be allowed to (1) keep their union seniority date for purposes of shift preference among other part-time employees in their same department pool and (2) carryover up to a maximum of 96 hours of sick pay from their "full time", sick pay bank into their "part-time", sick pay bank.

E.&J. Gallo Wage Schedule
Pay and Job Classification Matrix by Business Unit

(Pay Levels)	3%				BOTTLING, 90's	SPIRITS	WHSE	MAINT	CELLAR	LIVINGSTON	FRESNO
	4/1/21	4/1/22	4/1/23	4/1/24							
Level 1 (GWW)	\$20.91	\$21.43	\$21.97	\$22.63	GWW	GWW	GWW		GWW	GWW	GWW
Level 2	\$26.11	\$26.76	\$27.43	\$28.25	Operator	Operator	Operator		R & B	R & B	R & B
					Sanitation	Sanitation			Sanitation	Sanitation	Sanitation
					Mtl. Handler	Barrel Handler	Mtl. Handler			Operator	
					Palletizer	Driver					
Level 3	\$29.86	\$30.61	\$31.38	\$32.32	Skilled Op.	Skilled Op.	Skilled Mtl. Handler	Maint. Helper	Skilled Op.	Skilled Op.	Skilled Op.
					Skilled Sanitation	Skilled Driver	Skilled Op.		Skilled Mtl. Handler	Mtl. Handler	Mtl. Handler
						Skilled Barrel Hdlr.			Processing Tech.	Processing Tech.	Processing Tech.
						Skilled Sanitation			Skilled FW Op.		
Level 4	\$32.12	\$32.92	\$33.74	\$34.75	Adv. Op.	Adv. Op.	Adv. Mtl. Handler		Adv. Op.	Adv. Op.	Adv. Op.
					MTA Journeyperson	Adv. Driver	Adv. Op.		Adv. FW Op.		
						MTA Journeyperson	MHA Journeyperson		WTA Journeyperson		
						MHA Journeyperson					
Level 5	\$35.29	\$36.17	\$37.07	\$38.18	Tech. Op.	Tech. Op.	Tech. Mtl. Handler	Mechanic 1	Tech. Op.	Tech. Op.	Tech. Op.
							Tech. Op.		Tech. FW Op.	Mechanic 1	Mechanic 1

OPERATIONS APPRENTICESHIP PROGRAM TITLES AND RATES*

TITLE	4/1/2021	4/1/2022	4/1/2023	4/1/2024
	3%	2.50%	2.50%	3%
STEP 1 Manufacturing Tech Trainee Material Handling Trainee Winery Tech Trainee	\$20.91	\$21.43	\$21.97	\$22.63
STEP 2 Manufacturing Tech Trainee Material Handling Trainee Winery Tech Trainee	\$23.51	\$24.10	\$24.70	\$25.44
STEP 3 Manufacturing Tech Trainee Material Handling Trainee Winery Tech Trainee	\$26.11	\$26.76	\$27.43	\$28.25
STEP 4 Manufacturing Tech Trainee Material Handling Trainee Winery Tech Trainee	\$27.99	\$28.68	\$29.41	\$30.29
STEP 5 Manufacturing Tech Trainee Material Handling Trainee Winery Tech Trainee	\$29.86	\$30.61	\$31.38	\$32.32
STEP 6 Manufacturing Tech Trainee Material Handling Trainee Winery Tech Trainee	\$30.99	\$31.77	\$32.56	\$33.54
JOURNEYPERSON Manufacturing Tech Journeyman Material Handling Journeyman Winery Tech Journeyman	\$32.12	\$32.92	\$33.74	\$34.75

* Except for April 1st General Increases, rate increases will be effective on the first day of a pay period following achievement of the trainee's requisite milestone.

Any Gallo incumbent, earning Pay Level 2 or above at his time of entry into a program, will not receive a pay rate increase until he meets the requirements for a Step for which the pay is greater than his current pay.

Annual Bonus – 2% of Eligible Earnings¹

Years of Service at Start of Bonus Period Year ²	5x8, 4x10 Work Schedules		Continuous Ops Work Schedule	
	Annual Threshold Hours ³	Quarterly Threshold Hours ³	Annual Threshold Hours ³	Quarterly Threshold Hours ³
0-1	1896 hours	474 hours	1927 hours	482 hours
1 Year	1856 hours	464 hours	1887 hours	472 hours
After Completing 2	1816 hours	454 hours	1847 hours	462 hours
After Completing 6	1776 hours	444 hours	1807 hours	452 hours
After Completing 13	1736 hours	434 hours	1767 hours	442 hours
After Completing 20	1696 hours	424 hours	1727 hours	432 hours
After Completing 25	1680 hours	420 hours	1711 hours	428 hours

¹Eligible earnings = (wage rate for the classification held on the last day of the Bonus Period Year) X Hours

²Bonus Period Years are as follows:

12/20/21 – 12/18/22 for 5x8 and 4x10; 12/19/21 – 12/17/22 for Continuous Ops; Payable in February 2023
 12/19/22 – 12/17/23 for 5x8 and 4x10; 12/18/22 – 12/16/23 for Continuous Ops; Payable in February 2024
 12/18/23 – 12/15/24 for 5x8 and 4x10; 12/17/23 – 12/14/24 for Continuous Ops; Payable in February 2025

In the successor contract to this Agreement, the parties will address what to do for the periods of 12/16/24 – 3/30/25 for 5x8 and 4x10 and 12/15/24 – 3/29/25 for Continuous Ops.

³Hours for the purpose of determining whether an individual obtained the above threshold(s) are defined as regular hours worked (straight-time and overtime), approved union business, light workload (LWL), and plant shutdown hours.

For full-time employees, a prorated bonus payout can be earned by attaining quarterly threshold hours; for part-time employees, there is no proration; their annual threshold of 1000 hours must be met. Employee must be employed at end of the bonus period year to receive payout.

Eligibility for the annual bonus will be subject to the Bonus' Plan Description.

IN WITNESS WHEREOF, this contract, is executed by the signatures below:

E. & J. GALLO WINERY

By: *R Donoho* Dated: Sep 23, 2021
R Donoho (Sep 23, 2021 15:57 PDT)
Robert Donoho, Vice President, Supply Chain, Logistics and Quality

By: *Jeffrey Breseman* Dated: Sep 24, 2021
Jeffrey Breseman (Sep 24, 2021 09:49 PDT)
Jeffrey Breseman, Principal, Human Resources

UFCW INTERNATIONAL, UNION, CLC – DISTILLERY, WINE & ALLIED WORKERS
DIVISION

By: *GeorgeJ. Orlando* Dated: Sep 24, 2021
GeorgeJ. Orlando (Sep 24, 2021 12:52 EDT)
George Orlando, International Vice President/Director

UFCW LOCAL 8 – GOLDEN STATE
DISTILLERY, WINE & ALLIED WORKERS DIVISION

By: *Jacques S Loveall* Dated: Sep 28, 2021
Jacques S Loveall (Sep 28, 2021 09:52 PDT)
Jacques Loveall, President

UFCW LOCAL 186D
DISTILLERY, WINE & ALLIED WORKERS DIVISION

By: *Luis Martell* Dated: Sep 28, 2021
Luis Martell (Sep 28, 2021 10:14 PDT)
Luis Martell, President

Supplemental Agreements Covering the Modesto, Livingston, or Fresno Facilities

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Job Bidding for Modesto-Warehouse Department, Part-Time Employees

In spite of any provision in Section IX to the contrary, a part-time employee hired by the Warehouse department during the term of this agreement may apply for full-time positions within the Warehouse department at any time following his date of hire. After his twelve (12) month service anniversary, such part-time employee may apply for any position.



Letter of Agreement about Work Schedules During Harvest at the Livingston and Fresno Wineries

Whereas, the E. & J. Gallo Winery ("Company") and the United Food and Commercial Workers, Locals 186D and Local 8 Golden State ("Union") share an interest in helping Company employees/Union members achieve work life balance; and

Whereas, the Company and the Union share an interest in recognizing seniority:

The Company and the Union mutually agree to the following:

1. For 2021 Harvest, all employees, excluding SWWs, will be scheduled at least 6 days in a work week during the harvest period.

For schedule changes in the future at Livingston or Fresno:

1. A task force will be formed at the affected site. The task force will be comprised of three members appointed by the respective local union and three members of the respective site management.
2. Time spent in task force meetings by the union-appointed members will be compensated by the Company at each member's respective, regular, classified hourly rate.
3. If the schedule change applies to the harvest period, the task force will meet a minimum of two times, once before and once after each harvest. Prior to any notification of a schedule change, for any timeframe other than during the harvest period, at least one task force meeting will be held. A post-harvest review meeting with the Union about schedule effectiveness will be completed each year.
4. The subject matter to be discussed is:
 - Work schedules, including novel work schedules that ensure adequate staffing to meet the Company's production needs including 24/7 coverage.
5. The Company commits to continuing its discussions with the Union about improving labor scheduling.
6. This Letter of Agreement will expire March 31, 2025.

For the Union:

A handwritten signature in black ink, appearing to read "Luis Martell".

Luis Martell
President 186D

A handwritten signature in black ink, appearing to read "John Heise".

John Heise
Vice President Local 8 GS

For the Company:

A handwritten signature in black ink, appearing to read "Michael Roland".

Michael Roland
V.P., Central Valley Operations

5-25-21
Date

5-25-21
Date

5-25-21
Date